Agriculture and Agri-Food Canada

2012-13

Departmental Performance Report

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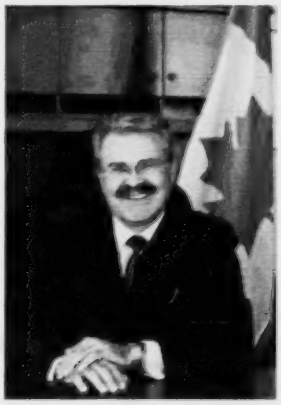


Canadian agriculture is a modern, technologically advanced, export-oriented sector that drives more than two million jobs nation-wide and over 8% of our Gross Domestic Product. In 2012, farmers earned more money from the global marketplace than ever before, with exports reaching over $47 billion in agriculture, food and seafood – a 7.6% increase over 2011.

Over the past five years, the *Growing Forward* agricultural policy framework laid the groundwork for a new approach and vision to advance the Canadian agriculture and agri-food industry. In April 2013, federal, provincial, and territorial governments launched *Growing Forward 2*, Canada's new policy framework for agriculture. With an even stronger focus on proactive measures to help the industry capture new opportunities in the global marketplace, *Growing Forward 2* is driving transformative change across the sector. At its core is a 50% increase in cost-shared strategic investments in innovation, competitiveness and market development – that is $3 billion over five years to move the industry forward.

At the same time, governments continue to offer ongoing support for a complete and effective suite of Business Risk Management programs to ensure farmers are protected against severe market volatility and unforeseen disasters.

Canadians understand that innovation is a critical driver of competitiveness. We continue to participate and invest in more effective collaborations that link to our strong network of world-class research centres and scientific expertise across the country. From beef to canola to horticulture, we are bringing together government, academia and industry to maximize our resources and deliver the best results for the sector.

Getting our Canadian food products to markets worldwide is an important part of *Growing Forward 2*. With almost half of Canada's total agricultural production exported, the potential for growth in the sector lies in its ability to expand markets abroad, making market access a key priority for both industry and governments. We are aggressively pursuing bilateral and multi-lateral free trade agreements. We are also working internationally to ensure global trading regimes are rooted in fair rules and sound science.

Our efforts are supported by Canada's Market Access Secretariat, which continues to re-open, maintain and expand international markets for the Canadian agriculture and agri-food sector.

We are making solid progress in modernizing Canada's grain industry. Building on marketing freedom, we passed legislation to modernize the Canadian Grain Commission and to strengthen our rail system through the *Fair Rail Freight Service Act*, which encourages railways and shippers to work together. We are driving innovation in Canada's wheat industry. The new Canadian Wheat Alliance, for example, brings together the National Research Council,

Agriculture and Agri-Food Canada, the Government of Saskatchewan, and the University of Saskatchewan to advance wheat research and help improve the profitability of Canadian wheat producers. Research and development projects will focus on improving the yield of Canadian wheat varieties by reducing losses from drought, heat, cold, and diseases.

Finally, we are enabling Canada's agricultural sector to maximize growth by modernizing and streamlining our regulatory framework and striving for excellence in program and service delivery. Our regulatory modernization agenda includes a focus on issues like varietal registration, and low-level presence of genetically modified organisms, ensuring that the regulatory environment enables innovation and competitiveness, while continuing to protect the health and safety of Canadians.

As our global customers turn more than ever to the quality and consistency of Canada's food and agri-based products, we need to be ready to seize those opportunities. We need to keep our farmers, processors and exporters strong today and ahead of the competition well into the future.

I appreciate the continuing collaborative efforts of my entire Portfolio team and our partners in provincial and territorial governments, as we tackle the agriculture and agri-food sector's challenges, while helping it capitalize on its tremendous potential for growth and future prosperity.

By ensuring access to new growth markets, by spurring innovation and by taking advantage of Canada's strengths as a major player in global agriculture, the sector can continue to serve as an engine of economic growth and high quality jobs and opportunity for Canadians.

Honourable Gerry Ritz, P.C., M.P.,
Minister of Agriculture and Agri-Food

Section I: Organizational Overview

Raison d'être

The Department of Agriculture and Agri-Food Canada (AAFC) was created in 1868 – one year after Confederation – because of the importance of agriculture to the economic, social and cultural development of Canada. Today, the Department helps ensure the agriculture, agri-food and agri-based products industries can compete in domestic and international markets, deriving economic returns to the sector and the Canadian economy as a whole. Through its work, the Department strives to help the sector maximize its long-term profitability and competitiveness, while respecting the environment and the safety and security of Canada's food supply.

Our Vision

Driving innovation and ingenuity to build a world-leading agricultural and food economy for the benefit of all Canadians.

Our Mission

AAFC provides leadership in the growth and development of a competitive, innovative and sustainable Canadian agriculture and agri-food sector.

Responsibilities

The Department helps create the conditions for the long-term profitability, sustainability and adaptability of the Canadian agriculture, agri-food and agri-based products industries, by supporting progressive, proactive and sustainable initiatives around innovation, market development and competitiveness, while continuing to share in the risk of severe market volatility and natural disasters. With an emphasis on industry capacity and self-reliance, the Department's goal is to position the industry to capture its untapped potential by seizing the exciting new opportunities in the growing global marketplace, while managing the challenges presented by the current economic environment. By building profitability throughout the entire value chain, we will advance the long-term prosperity and growth of the sector and the economy.

AAFC provides information, research and technology, and policies and programs to help Canada's agriculture, agri-food and agri-based products sector compete in markets at home and abroad, manage risk, and embrace innovation. The activities of the Department extend from the farmer to the consumer, from the farm to global markets, through all phases of producing, processing and marketing of agriculture and agri-food products. In this regard, and in recognition that agriculture is a shared jurisdiction, AAFC works closely with provincial and territorial governments.

The Department is responsible for ensuring collaboration among the organizations within the Agriculture and Agri-Food Portfolio[I]; this means coherent policy and program development and effective cooperation in meeting challenges on cross-portfolio issues. The portfolio organizations consist of: the Canadian Food Inspection Agency; Farm Credit Canada; the Canadian Grain

Commission; the Canadian Dairy Commission; the Farm Products Council of Canada; and the Canada Agricultural Review Tribunal.

AAFC's mandate is based upon the *Department of Agriculture and Agri-Food Act*. The Minister is also responsible for the administration of several other Acts[II], such as the *Canadian Agricultural Loans Act*.

Strategic Outcomes (SO) and Program Alignment Architecture

SO 1: An environmentally sustainable agriculture, agri-food and agri-based products sector

Program 1.1: Environmental Knowledge, Technology, Information and Measurement
- Sub-program 1.1.1: Agri-Environmental Science
  - Sub-sub-program 1.1.1.1: Agri-Environmental Soil, Water, Air and Bioresource Protection
  - Sub-sub-program 1.1.1.2: Sustainable Agriculture Environmental Systems
- Sub-program 1.1.2: Agri-Environmental Applications
  - Sub-sub-program 1.1.2.1: Adaptive Knowledge
  - Sub-sub-program 1.1.2.2: Agroforestry
  - Sub-sub-program 1.1.2.3: Watershed Evaluation of Beneficial Management Practices
  - Sub-sub-program 1.1.2.4: National Land and Water Information Service
- Sub-program 1.1.3: Agri-Environmental Sustainability Assessment

Program 1.2: On-Farm Action
- Sub-program 1.2.1: Technical Information Transfer
  - Sub-sub-program 1.2.1.1: Innovative Approaches for Technical Assistance
  - Sub-sub-program 1.2.1.2: Community Pastures
  - Sub-sub-program 1.2.1.3: Water Infrastructure
  - Sub-sub-program 1.2.1.4: Agricultural Greenhouse Gases
- Sub-program 1.2.2: Agri-Environmental Risk Assessment
- Sub-program 1.2.3: Agri-Environmental Risk Assessment Implementation
- Sub-program 1.2.4: AgriFlexibility – Environmental Action

SO 2: A competitive agriculture, agri-food and agri-based products sector that proactively manages risk

Program 2.1: Business Risk Management
- Sub-program 2.1.1: AgriStability
- Sub-program 2.1.2: AgriInvest
- Sub-program 2.1.3: AgriRecovery
- Sub-program 2.1.4: AgriInsurance
- Sub-program 2.1.5: *Canadian Agricultural Loans Act*
- Sub-program 2.1.6: *Agriculture Marketing Programs Act*
- Sub-program 2.1.7: Hog Industry Loan Loss Reserve
- Sub-program 2.1.8: Hog Farm Transition

Program 2.2: Food Safety and Biosecurity Risk Management Systems
- Sub-program 2.2.1: Biosecurity
  - Sub-sub-program 2.2.1.1: Biosecurity Standards Implementation
  - Sub-sub-program 2.2.1.2: Specified Risk Material
  - Sub-sub-program 2.2.1.3: Control of Diseases in the Hog Industry
- Sub-program 2.2.2: Food Safety and Biosecurity Science
  - Sub-sub-program 2.2.2.1: Food Safety and Quality Science

- Sub-sub-program 2.2.2.2: Security of the Food System Science
- Sub-sub-program 2.2.2.3: Canadian Bioresources and Genetic Diversity Protection and Conservation
- Sub-sub-program 2.2.2.4: Animal and Plant Health Research

- Sub-program 2.2.3: Food Safety Systems
  - Sub-sub-program 2.2.3.1: Food Safety Systems Development
  - Sub-sub-program 2.2.3.2: Food Safety Systems Implementation
- Sub-program 2.2.4: Traceability
  - Sub-sub-program 2.2.4.1: Traceability Government Infrastructure
  - Sub-sub-program 2.2.4.2: Traceability Industry Infrastructure
  - Sub-sub-program 2.2.4.3: Traceability Enterprise Infrastructure
- Sub-program 2.2.5: AgriFlexibility – Protection of the Food Supply
- Sub-program 2.2.6: AgriFlexibility – Livestock Auction Traceability

Program 2.3: Trade and Market Development

- Sub-program 2.3.1: Trade Negotiations and Market Access
- Sub-program 2.3.2: Market Growth
  - Sub-sub-program 2.3.2.1: AgriMarketing
  - Sub-sub-program 2.3.2.2: Market Information and Export Capacity Building
  - Sub-sub-program 2.3.2.3: Canada Brand
- Sub-program 2.3.3: Sector Competitiveness
  - Sub-sub-program 2.3.3.1: Value Chain Roundtables
  - Sub-sub-program 2.3.3.2: Sector Development and Analysis
  - Sub-sub-program 2.3.3.3: Enabling Research for Competitive Agriculture
  - Sub-sub-program 2.3.3.4: International Pork Marketing
  - Sub-sub-program 2.3.3.5: Canadian Cattlemen's Association Legacy
  - Sub-sub-program 2.3.3.6: Canadian Wheat Board
- Sub-program 2.3.4: AgriFlexibility – Increased Market Demand
- Sub-program 2.3.5: AgriFlexibility – Canada Brand Advocacy

Program 2.4: Regulatory Efficiency Facilitation

- Sub-program 2.4.1: Pest Management
- Sub-program 2.4.2: Health Claims, Novel Foods and Ingredients
  - Sub-sub-program 2.4.2.1: Industry Engagement
  - Sub-sub-program 2.4.2.2: Science Substantiation

Program 2.5: Farm Products Council of Canada

SO 3: An innovative agriculture, agri-food and agri-based products sector

Program 3.1: Science, Innovation and Adoption

- Sub-program 3.1.1: Science Supporting Agricultural Innovation
  - Sub-sub-program 3.1.1.1: Innovative and Sustainable Production Systems
  - Sub-sub-program 3.1.1.2: New Opportunities from Bioresources
  - Sub-sub-program 3.1.1.3: Health and Wellness Attributes of Agri-Food and Agri-Based Products
  - Sub-sub-program 3.1.1.4: Matching Investment Initiative
  - Sub-sub-program 3.1.1.5: Research Evaluation and Science Capacity
- Sub-program 3.1.2: Canadian Agricultural Adaptation
- Sub-program 3.1.3: Agri-Innovations
  - Sub-sub-program 3.1.3.1: Agri-Foresight
  - Sub-sub-program 3.1.3.2: Agri-Science Clusters
  - Sub-sub-program 3.1.3.3: Science to Support Commercialization of New Agri-Based Products
  - Sub-sub-program 3.1.3.4: Agri-Based Investment Opportunities
  - Sub-sub-program 3.1.3.5: Regional Innovation

• Sub-program 3.1.4: ecoAgriculture Biofuels Capital Initiative • Sub-program 3.1.5: AgriFlexibility – Science Addressing Market Opportunities and Challenges • Sub-program 3.1.6: AgriFlexibility – Agri-Based Processing Program 3.2: Agri-Business Development • Sub-program 3.2.1: Farm Debt Mediation Service • Sub-program 3.2.2: Business Development • Sub-program 3.2.3: Slaughter Improvement • Sub-program 3.2.4: AgriFlexibility – Profitability Improvement • Sub-program 3.2.5: Cattle Slaughter Industry Assistance • Sub-program 3.2.6: Churchill Port Utilisation* Program 3.3: Rural and Co-operatives Development • Sub-program 3.3.1: Rural Development • Sub-program 3.3.2: Co-operatives Development Program 3.4: Canadian Pari-Mutuel Agency
Program 4.1: Internal Services

*Churchill Port Utilisation was not included in the Performance Measurement Framework of record or the 2012-13 Report on Plans and Priorities as it was added in-year.

Organizational Priorities

AAFC priorities and initiatives continued to focus on supporting the sector's long-term competitiveness, profitability and innovative capacity. Ongoing sector success depends on understanding and adapting to the marketplace, and innovating to keep pace with competitors and better respond to market demands.

In 2008, federal, provincial and territorial (FPT) governments launched the five-year *Growing Forward* (GF) policy framework, building on a common vision for a profitable, innovative, competitive, and market-oriented agriculture sector that proactively manages risks. On April 1, 2013, FPT governments announced *Growing Forward 2* (GF2), the third FPT framework on agriculture, agri-food and agri-based products, to position the industry to meet the challenges in the decade ahead. GF2 is an investment of $3 billion in strategic initiatives to drive economic growth and long-term prosperity and represents a shift to more proactive investments in innovation and market development that will leverage private sector investment and leadership. Under GF2, governments will also continue to offer ongoing funding for a complete and effective suite of Business Risk Management (BRM) programs to ensure farmers are protected against severe market volatility or unforeseen disasters. This policy framework is the cornerstone of the FPT relationship for agriculture and agri-food. It will help ensure that governments work collaboratively towards common goals to address the challenges and opportunities facing the sector.

The Government has placed a high priority on advancing the objectives and priorities of Canadian agricultural producers on the world stage. In 2012-13, AAFC continued to foster a business environment that has allowed Canada's agricultural producers and processors to compete successfully in an expanding global marketplace. The Department coordinated

initiatives between governments and stakeholders on an ambitious trade agenda, targeting priority markets, and securing export opportunities in both emerging and established markets for Canadian agriculture and agri-food products.

Further, the Department invested in innovation, leading and participating in applied scientific discovery, research and knowledge transfer to support innovative products and processes that improve the competitiveness and profitability of the sector. Supporting innovation in the agriculture and agri-food sector is central to AAFC's vision of building a world-leading agricultural and food economy for the benefit of all Canadians. Innovation was a key theme under *Growing Forward* and is further strengthened under GF2 in terms of relative share of total resource allocations, as well as with innovation programming taking a more streamlined approach. These activities will complement the increased focus on trade and market access and stimulate greater efficiencies in the sector, promoting faster adoption of leading-edge technologies and practices, improving regulatory performance, and creating a more attractive investment climate.

AAFC continued to focus on excellence in service to Canadians by acting on opportunities to strengthen its management capacity and practices. This meant transforming departmental activities to deliver policies and programs more efficiently and effectively. In doing so, the Department engaged its employees in the excellence agenda, while maintaining a positive, collaborative and inclusive work environment, and providing the support required for a world-leading agricultural economy that benefits all Canadians.

Additional information on departmental priorities is provided in the following tables.

Priority	Type	Strategic Outcomes
Develop the Federal-Provincial-Territorial (FPT) policy framework agreement (GF2) and bilateral agreements, and prepare for implementation of federal activities	Previously committed to	SO 1 – An environmentally sustainable sector SO 2 – A competitive sector that proactively manages risk SO 3 – An innovative sector
Summary of Progress		
• AAFC completed work on GF2 with its provincial and territorial partners, in consultation with stakeholders. The policy framework was put in place April 1, 2013.		

Priority	Type	Strategic Outcome and Program
Advance trade and market interests both domestically and internationally	Ongoing	SO 2 – A competitive sector that proactively manages risk Program 2.3 – Trade and Market Development
Summary of Progress		
• Through trade negotiations, trade missions, marketing initiatives, and other related activities, AAFC helped secure markets and create new opportunities for Canada's agricultural and agri-food industry. • Work advanced on removing regulatory obstacles to innovation and to promote regulatory co-operation and modernization domestically and with key trading partners.		

Priority	Type	Strategic Outcomes and Program
Support activities that advance knowledge creation and transfer, improve products, processes or practices, and increase their adoption and commercialization to add value to farms, firms or the sector	Ongoing	SO 1 – An environmentally sustainable sector SO 2 – A competitive sector that proactively manages risk SO 3 – An innovative sector Programs related to knowledge creation and transfer contribute to achieving AAFC's three SOs, whereas adoption and commercialization contributes mostly to SO 3 (Program 3.1 Science, Innovation and Adoption)
Summary of Progress		
• AAFC researchers contributed to innovative agricultural products, processes and practices, especially in areas relevant to emerging markets for food, feed, fibre, health and wellness, energy, and industrial products. • The Department also supported improved sustainability, safety, quality, and reliability of the food supply system through AAFC research initiatives and in collaboration with partners.		

Priority	Type	Strategic Outcome
Improve the sector's performance in support of Canada's environmental sustainability agenda	Ongoing	SO 1 – An environmentally sustainable sector
Summary of Progress		
• AAFC continued to work with partners to improve stewardship practices, providing scientific knowledge and developing practices and technologies aimed at enhancing air, water, soils, and biodiversity. There was special focus on helping the sector to address nutrient management, greenhouse gas emissions and adaptation on landscapes of significant and environmental importance to Canada. • Under GF, support and uptake of beneficial management practices under environmental farm plans helped support sector priorities, increase productivity and improve environmental performance. • The new GF2 framework aims to provide provinces and territories with greater flexibility to implement environmental programming.		

Priority	Type	Strategic Outcomes
Transform AAFC's business practices, improving the efficiency and effectiveness of programs, services, and operations to meet the challenges of the future	Previously committed to	SO 1 – An environmentally sustainable sector SO 2 – A competitive sector that proactively manages risk SO 3 – An innovative sector
Summary of Progress		
• AAFC continued to review, refine, improve and streamline program administration to ensure efficient and responsive service to clients through the consolidation of programs into one branch, harmonization of programs and service standards, implementation of the common program business process, implementation of mandatory standardized departmental forms and processes, and development of departmental policies for grants and contributions. • Web self-publishing was also implemented to facilitate more efficient and timely provision of accurate program information for clients.		

Priority	Type	Strategic Outcomes
Advance Public Service Renewal	Ongoing	SO 1 – An environmentally sustainable sector SO 2 – A competitive sector that proactively manages risk SO 3 – An innovative sector
Summary of Progress		
• AAFC supported Public Service Renewal by acting on the results of the Public Service Employee Survey and building the workforce of the future, including developing the skills and talent of its employees while fostering leadership reflective of Public Service values at all levels. • In addition, the Department improved the efficiency and effectiveness of its programs, services and operations to respond to *Canada's Economic Action Plan 2012*, and by providing transparent support to employees in transition.		

Risk Analysis

The performance of the Canadian agriculture and agri-food system in 2012-13 was strongly influenced by global economic factors. After many commodity prices rose sharply to record levels in 2010 and 2011, prices have since leveled, but generally remained higher than historical averages. The impacts of very dry climatic conditions in North America, Australia and the Black Sea region led to widespread drought and supply shortages in the global agri-food system over the short term. This included the fallout from the worst U.S. drought on record over the past 60 years. Prices for most major grain and livestock commodities remained elevated as a result, which benefitted many Canadian producers. However, developments in global markets tempered growth, particularly in the European Union and the U.S., where ongoing sovereign debt concerns

continued to threaten general economic recovery. Even with higher commodity prices, price and exchange rate volatility added to uncertainties associated with marketing agriculture and agri-food products in Canada and around the world. Further, the emergence of major competitors in high-growth economies added to the challenges and opportunities of competing in global markets.

Given the increasing importance of export opportunities to the Canadian agriculture and agri-food industry, Canada's efforts to expand exports focused on realizing benefits for Canadian producers and processors from relatively robust economic growth rates in developing markets (e.g., Chile, Vietnam, Malaysia, Turkey, and Mexico). Global supply and demand conditions continued to create new opportunities stemming from increasing global food demand due to population growth, rising incomes in emerging markets, and evolving consumer demands regarding the growing, processing and nutritional content of food. In addition, the emerging bio-economy bolstered non-food markets for agricultural production.

While Canada continued to benefit from several natural resource advantages, the sector still counted on its government partners to foster a strong, sustainable culture of innovation and a supportive business environment. In 2012-13, the federal government's implementation of a new, transformative agenda for agriculture led to significant changes to programming and traditional institutions. Changes included ongoing work to transition Canada's grain sector to a modern, open market through the implementation of the *Marketing Freedom for Grain Farmers Act* and the introduction of legislation to guarantee service agreements for shippers using Canada's rail freight services in December 2012.

The agriculture and agri-food sector will also be well prepared to address the risks and competitiveness challenges in future years through support offered under the GF2 agreement negotiated between FPT governments in 2012-13. The development of GF2 occupied much of the Department's time and resources in 2012-13. This work involved significant stakeholder engagement in advance of extensive negotiations at the multilateral and bilateral levels, as well as significant program design and other policy development work. FPT governments will continue to deliver a complete and effective suite of BRM programs to help farmers cope with severe market volatility and disasters, while striving to rebalance the sharing of normal business risks between governments and producers and allowing governments to redirect resources towards promoting innovation and market development.

Also, in 2012-13, AAFC moved forward with the Government's agenda to secure Canada's economic recovery and return to fiscal balance. Economic Action Plan 2011 launched a strategic and operating review of direct program spending across all departments and agencies in 2011-12, with emphasis on generating savings from operating expenses and improving productivity, while also examining the relevance and effectiveness of programs. The Department also implemented measures in Budget 2012, which emphasized the federal government's commitment to return to balanced budgets, while continuing to provide programs and services to the agriculture and agri-food industry.

In support of key decision making, AAFC continues to improve and mature its integrated risk and opportunity management practices. Notably, in 2012-13, AAFC developed and implemented new Integrated Program Risk Management guidance and tools to support new GF2 programming.

AAFC updates its *Corporate Risk Profile* annually to inform departmental and branch priority setting and integrated business planning. It provides information on the most significant risks and opportunities and outlines key management response strategies. The following summarizes the status of the Department's overarching risk response strategies identified in AAFC's *2012-2013 Corporate Risk Profile* and reported on in the 2012-13 Report on Plans and Priorities. (Note: the following overarching corporate risks were effectively managed in 2012-13.)

Risk	Risk Response Strategy	Link to Program Alignment Architecture	Link to Organizational Priorities
Program Program design or delivery practices may not support the achievement of desired policy results. Opportunities exist to re-engineer program delivery functions and to increase client awareness and improve accessibility to programs.	AAFC successfully managed its program response strategies. The Department harmonized a significant number of program authorities into three new programs. During the development of these programs, program risk assessments were undertaken to ensure that they aligned with departmental policy objectives and client needs. Response measures were developed for all risks that were identified. The Department secured six new participating provincial and territorial partners to showcase their programming in AgPal[III] in the coming months, which will expand client reach and ensure that the majority of all FPT agricultural programs and services are easily accessible by clients. Phone channel service delivery to clients was improved by reducing the toll-free numbers by one-third. The number of service standards across grants and contributions programs was reduced by approximately 79% to improve consistency, standardize wait times and increase transparency for clients. A new set of six common standards[IV] has been implemented.	SO 1 – An environmentally sustainable sector SO 2 – A competitive sector that proactively manages risk SO 3 – An innovative sector	Transform AAFC's business practices improving the efficiency and effectiveness of programs, services and operations to meet the challenges of the future

Risk	Risk Response Strategy	Link to Program Alignment Architecture	Link to Organizational Priorities
People Work Environment AAFC may not be able to achieve one or more of its business priorities as a result of ineffective development, alignment and retention of its people resources and/or the delayed targeted recruitment to fill key positions.	All response strategies progressed satisfactorily, including those added as a result of the implementation of the *Economic Action Plan* to support affected employees, such as career transition courses, the Career Tools and Resource Fair, alternation facilitation, and outreach and marketing of employees to other levels of government, agricultural organizations, universities, etc.	SO 1 – An environmentally sustainable sector SO 2 – A competitive sector that proactively manages risk SO 3 – An innovative sector	Transform AAFC's business practices improving the efficiency and effectiveness of programs, services and operations to meet the challenges of the future Advance Public Service Renewal

Risk	Risk Response Strategy	Link to Program Alignment Architecture	Link to Organizational Priorities
Knowledge and Information Management AAFC may not able to transition to an organization where knowledge and information is managed, transferred, shared, and preserved as a corporate resource, there will be a decrease in productivity and effective decision making. This risk is compounded by the loss of key expertise due to employee departures, the exponentially increasing volume of information, as well as privacy and security threats.	AAFC continued to make significant progress to improve secure information sharing and collaboration. Modern tools were deployed to enhance collaboration and electronic communications. *Knowledge Workspace* processes, templates and guidelines were developed and implemented under the *Knowledge, Information and Collaboration Support Strategy*. AAFC's record-keeping framework helps ensure that information resources of business value are created, acquired, captured, and managed in standard repositories. The Department is on target for achieving compliance by April 2015. AAFC's National Mentoring Program and departmental training programs continued to provide support to the management, transfer and sharing of information.	SO 1 – An environmentally sustainable sector SO 2 – A competitive sector that proactively manages risk SO 3 – An innovative sector	Advance Public Service Renewal

Risk	Risk Response Strategy	Link to Program Alignment Architecture	Link to Organizational Priorities
Infrastructure The Department's aging infrastructure may not support its work and priorities.	AAFC continued to successfully manage its infrastructure through its *Investment Plan* and related governance. All response strategies, including the continued rejuvenation of a dam safety management system were implemented as planned in support of ongoing operations and priorities.	SO 1 – An environmentally sustainable sector SO 2 – A competitive sector that proactively manages risk SO 3 – An innovative sector	All

Risk	Risk Response Strategy	Link to Program Alignment Architecture	Link to Organizational Priorities
Information Management/Information Technology (IM/IT) Disaster Recovery Readiness AAFC's ability to deliver essential services to the public could be severely impeded in the event of a loss of any data centre location (National Headquarters Complex for the Agriculture Portfolio, Winnipeg and Regina).	The Department continued to make significant progress on its IM/IT Disaster Recovery Readiness. AAFC continues to work closely with its shared-services partners and clients to document disaster recovery plans (DRP). Initial client engagement on DRP requirements has been completed for AAFC Portfolio Partners and Cluster Partners (e.g., departments to which AAFC provides SAP and PeopleSoft IM/IT services).	SO 1 – An environmentally sustainable sector SO 2 – A competitive sector that proactively manages risk SO 3 – An innovative sector	All

Risk	Risk Response Strategy	Link to Program Alignment Architecture	Link to Organizational Priorities
Catastrophic Crisis The Department may not have the capacity required to contribute fully to the broader federal effort to respond to wide-scale emergencies, which potentially present severe consequences to the agriculture, agri-based and agri-food sector and/or to Canadians at large.	Response strategies progressed satisfactorily. AAFC continued to contribute to activities led by Public Safety Canada to enhance the Government of Canada's and AAFC's capacity to manage a catastrophic crisis. Key initiatives include: working with provincial and territorial governments and industry on the development of a Livestock Market Interruption Strategy, developing a Strategic Emergency Management Plan for AAFC, and collaborating with federal partners to renew the Federal Emergency Response Plan and the Federal Nuclear Emergency Plan.	SO 1 – An environmentally sustainable sector SO 2 – A competitive sector that proactively manages risk SO 3 – An innovative sector	All

**Overarching risks are presented in order of priority from highest to lowest.*

Summary of Performance

Financial Resources – Total Departmental ($ millions – net)

Total Budgetary Expenditures (Main Estimates) 2012–13	Planned Spending 2012–13	Total Authorities (available for use) 2012–13	Actual Spending (authorities used) 2012–13	Difference (Planned vs. Actual Spending)
2,418.6	3,012.6	2,884.2	2,681.6	(331.0)

The variance between Total Budgetary Expenditures (Main Estimates) and Planned Spending is due to the fact that Planned Spending includes adjustments totalling $594.0 million for funding approved in the government fiscal plan, but not yet brought into the Department's reference levels at the time of Main Estimates. The decrease between Planned Spending and Total Authorities essentially is the result of a reduction in the requirement for Business Risk Management program funding mainly due to industry conditions and stronger commodity prices. Actual Spending is less than Total Authorities due to a number of factors, including reduced demand in some program areas as well as the fact that AAFC's planning and implementation readiness allowed the organization to advance many of its plans and strategies in support of recent savings measures and, as a result, AAFC was able to realize savings more quickly.

The overall decrease between Planned Spending and Actual Spending of $331.0 million is the result of a reduction in the requirement for Business Risk Management program funding mainly due to industry conditions and stronger commodity prices as well as less need for disaster response initiatives. Some of the unspent voted funding is expected to be carried forward for use in future years.

Human Resources (Full-Time Equivalents – FTEs)

Planned 2012–13	Actual[1] 2012–13	Difference[2] 2012–13
6,117	5,662	(455)

[1] Full-Time Equivalents – reflect only those FTEs funded through the Department's appropriated resources. In addition to the actual FTEs of 5,662 there were 19 FTEs employed by AAFC for research funded through collaborative agreements with industry partners and 11 FTEs funded from other government departments. Also, an additional 506 FTEs were employed as students.

[2] Actual FTEs are lower than Planned primarily due to recent savings initiatives undertaken by the government. The Department is progressing on reducing the number of FTEs in accordance with the targets established over a two-year period. Planned FTEs did not reflect these factors due to timing of the preparation of the Report on Plans and Priorities.

Performance Summary Tables for Strategic Outcomes and Programs ($ millions – net)

Strategic Outcome 1: An environmentally sustainable agriculture, agri-food and agri-based products sector

Program	Total Budgetary Expenditures (Main Estimates) 2012–13[1]	Planned Spending			Total Authorities (available for use) 2012–13[4]	Actual Spending (authorities used)		
		2012–13[2]	2013–14[3]	2014–15[3]		2012–13[5]	2011–12[5]	2010–11[5]
1.1 Environmental, Knowledge, Technology and Measurement	53.7	53.7	34.9	24.5	85.6	82.9	87.4	89.8
1.2 On-Farm Action	130.9	130.9	54.4	39.5	104.5	93.0	107.0	89.7
Aligns to Government of Canada Outcome[V]: *A Clean and Healthy Environment*								
Strategic Outcome 1 Sub-Total	**184.7**	**184.7**	**89.3**	**64.0**	**190.1**	**175.9**	**194.4**	**179.6**

Strategic Outcome 2: A competitive agriculture, agri-food and agri-based products sector that proactively manages risk

Program	Total Budgetary Expenditures (Main Estimates) 2012–13[1]	Planned Spending			Total Authorities (available for use) 2012–13[4]	Actual Spending (authorities used)		
		2012–13[2]	2013–14[3]	2014–15[3]		2012–13[5]	2011–12[5]	2010–11[5]
2.1 Business Risk Management	1,295.7	1,859.4	1,331.5	1,330.4	1,434.9	1,420.0	1,412.0	1,452.5
2.2 Food Safety and Biosecurity Risk Management Systems	94.3	97.6	90.1	78.0	121.5	92.4	87.6	95.2
2.3 Trade and Market Development	114.3	114.3	181.1	140.1	296.9	264.2	98.0	93.4
2.4 Regulatory Efficiency Facilitation	35.7	35.7	16.9	16.6	23.7	11.7	12.6	12.1
2.5 Farm Products Council of Canada	2.7	2.7	2.7	2.5	4.0	3.0	3.1	2.8
Aligns to Government of Canada Outcome[V]: *Strong Economic Growth*								
Strategic Outcome 2 Sub-Total	**1,542.7**	**2,109.7**	**1,622.3**	**1,567.5**	**1,880.9**	**1,791.3**	**1,613.3**	**1,656.1**

Strategic Outcome 3: An innovative agriculture, agri-food and agri-based products sector

Program	Total Budgetary Expenditures (Main Estimates) 2012–13[1]	Planned Spending			Total Authorities (available for use) 2012–13[4]	Actual Spending (authorities used)		
		2012–13[2]	2013–14[3]	2014–15[3]		2012–13[5]	2011–12[5]	2010–11[5]
3.1 Science, Innovation and Adoption	339.4	339.4	325.8	272.5	359.2	303.2	266.0	360.3
3.2 Agri-Business Development	51.1	56.0	117.3	114.6	88.7	69.5	116.3	104.3
Aligns to Government of Canada Outcome[V]: *An innovative and knowledge-based economy*								
3.3 Rural and Co-operatives Development	20.0	20.0	4.1	2.3	19.7	15.5	20.3	21.1
3.4 Canadian Pari-Mutuel Agency	(0.0)	(0.0)	(0.4)	(0.1)	4.1	(1.2)	(0.3)	1.0
Aligns to Government of Canada Outcome[V]: *A fair and secure marketplace*								
Strategic Outcome 3 Sub-Total	**410.5**	**415.4**	**446.8**	**389.3**	**471.8**	**387.0**	**402.3**	**486.7**

Performance Summary Table for Internal Services ($ millions – net)

Internal Services	Total Budgetary Expenditures (Main Estimates) 2012–13[1]	Planned Spending			Total Authorities (available for use) 2012–13[4]	Actual Spending (authorities used)		
		2012–13[2]	2013–14[3]	2014–15[3]		2012–13[5]	2011–12[5]	2010–11[5]
	280.7	302.8	292.1	262.0	341.3	327.4	347.7	352.5
Sub-Total	**280.7**	**302.8**	**292.1**	**262.0**	**341.3**	**327.4**	**347.7**	**352.5**

Total Performance Summary Table ($ millions – net)

Strategic Outcomes and Internal Services	Total Budgetary Expenditures (Main Estimates) 2012–13[1]	Planned Spending			Total Authorities (available for use) 2012–13[4]	Actual Spending (authorities used)		
		2012–13[2]	2013–14[3]	2014–15[3]		2012–13[5]	2011–12[5]	2010–11[5]
	2,418.6	3,012.6	2,450.5	2,282.8	2,884.2	2,681.6	2,557.7	2,674.8
Total	**2,418.6**	**3,012.6**	**2,450.5**	**2,282.8**	**2,884.2**	**2,681.6**	**2,557.7**	**2,674.8**

For an explanation of the variances for the total Department spending, please refer to the Expenditure Profile subsection of this report.

[1] Main Estimates figures are as reported in the 2012-13 Main Estimates.

[2] Planned Spending figures are as reported in the 2012-13 Report on Plans and Priorities (RPP). Planned Spending reflects funds already brought into the Department's reference levels as well as amounts to be authorized through the Estimates process as presented in the Annual Reference Level Update. It also includes adjustments totalling $594.0 million for funding approved in the government fiscal plan, but not yet brought into the Department's reference levels at the time of Main Estimates.

[3] Planned Spending figures are as reported in the 2013-14 Report on Plans and Priorities (RPP). Planned Spending reflects funds already brought into the Department's reference levels as well as amounts to be authorized through the Estimates process as presented in the Annual Reference Level Update. It also includes amounts for programming for which approval was received by February 2013.

[4] Total Authorities reflect 2012-13 Main Estimates plus a net total increase of $465.6 million comprised of Supplementary Estimates and allotment transfers received during the 2012-13 fiscal year, as well as adjustments to statutory amounts to equal actual spending, as reported in the 2012-13 Public Accounts.

[5] Actual Spending figures represent the actual expenditures incurred during the respective fiscal year, as reported in the that year's Public Accounts. In certain cases, where authorized amounts are unspent, they can be reprofiled for use in future years.

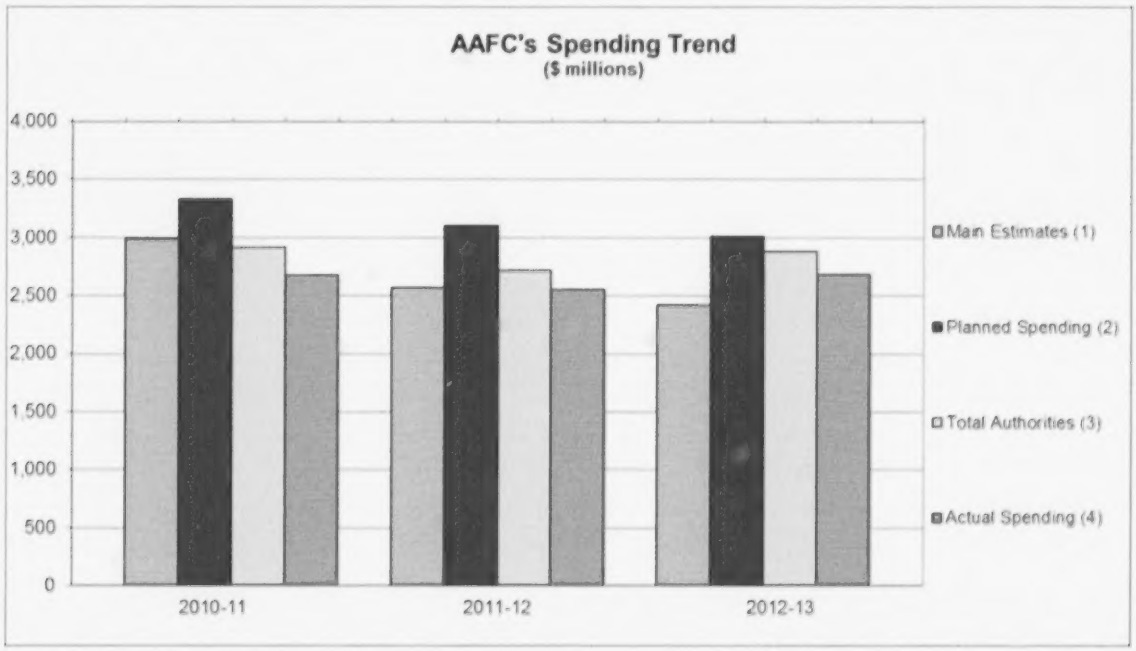
The figures in the above table have been rounded. Due to rounding, figures may not add to the totals shown.

Expenditure Profile

AAFC departmental spending varies from year to year in response to the circumstances in the agriculture, agri-food and agri-based products sector in any given period. Programming within AAFC is in direct response to industry and economic factors which necessitate support to this vital part of the economy. Much of AAFC's programming is statutory (i.e. for programs approved by Parliament through enabling legislation) and the associated payments fluctuate according to the demands and requirements of the sector.

Departmental Spending Trend

The figure below illustrates AAFC's spending trend in Main Estimates, Planned Spending, Total Authorities and Actual Spending from 2010-11 to 2012-13.



Notes:

1 Main Estimates figures are as reported in the Main Estimates for each respective year.

2 Planned Spending figures are as reported in the respective Report on Plans and Priorities. Planned Spending reflects funds already brought into the Department's reference levels as well as funding approved in the government fiscal plan, but yet to be brought into the Department's reference levels, at the time of the respective Report on Plans and Priorities. Planned Spending for 2010-11, 2011-12 and 2012-13 did not reflect Budget 2010, 2011 or 2012 information, respectively. These adjustments were subsequently made and reflected in Total Authorities.

3 Total Authorities reflect Main Estimates plus adjustments comprised of Supplementary Estimates and allotment transfers and adjustments to statutory amounts to equal actual spending, as reported in Public Accounts.

4 Actual Spending represents the actual expenditures incurred during each respective fiscal year, as reported in Public Accounts. In certain cases where authorized amounts are unspent, they can be reprofiled for use in future years.

Over the past three fiscal periods from 2010-11 to 2012-13, the Actual, Planned and Authorized Spending ranged from a low of $2.6 billion in 2011-12 to a high of $3.3 billion in 2010-11. Although the actual total spending trend depicted above is generally consistent across the years, the programs and initiatives vary from year to year in response to changes affecting the agriculture, agri-food and agri-based products sector.

The 2010-11 fiscal period included support under the Prairie Excess Moisture Initiative, which provided emergency assistance to producers affected by flooding conditions from the spring and summer of 2010, while 2011-12 provided disaster assistance to producers affected by excess moisture conditions in the western provinces and Quebec and provided assistance to livestock producers dealing with the impacts of severe forage shortages as a result of drought. The 2012-13 fiscal period reflects support provided to the Canadian Wheat Board as it became a voluntary grain marketing organization, giving Western Canadian farmers freedom to market their own wheat and barley on the open market.

Actual Spending in 2012-13 is lower than planned as a result of a reduction in the requirement for Business Risk Management program funding mainly due to industry conditions and stronger commodity prices as well as less need for disaster response initiatives. However, some of the unspent voted funding is expected to be carried forward to 2013-14.

Estimates by Vote

For information on AAFC's organizational Votes and/or statutory expenditures, please see the *Public Accounts of Canada 2013 (Volume II)*[VI]. An electronic version of the Public Accounts 2013 is available on the Public Works and Government Services Canada website.

Contribution to the *Federal Sustainable Development Strategy*

The Federal Sustainable Development Strategy (FSDS) outlines the Government of Canada's commitment to improving the transparency of environmental decision-making by articulating its key strategic environmental goals and targets.

AAFC ensures that consideration of these outcomes is an integral part of its decision-making processes. The Department contributes to the following FSDS 2010-2013 themes as denoted by the following visual identifiers and associated programs.

Theme I
Addressing Climate Change
and Air Quality

Program 1.1: Environmental Knowledge, Technology, Information and Measurement

Theme II
Maintaining Water Quality and Availability

Program 1.1: Environmental Knowledge, Technology, Information and Measurement
Program 1.2: On-Farm Action

Theme III
Protecting Nature

Program 1.1: Environmental Knowledge, Technology, Information and Measurement

Theme IV
Shrinking the Environmental Footprint - Beginning with Government

Internal Services 4.1

During 2012-13, AAFC considered the environmental effects of initiatives subject to the Cabinet Directive on the Environmental Assessment of Policy, Plan and Program Proposals[VII]. Through the strategic environmental assessment (SEA) process, departmental initiatives were found to have positive environmental effects on the 2010–2013 FSDS goals and targets in Themes I – Addressing Climate Change and Air Quality; II – Maintaining Water Quality and Availability; III – Protecting Nature; and IV – Shrinking the Environmental Footprint – Beginning with Government.

For additional details on the Department's activities to support sustainable development and SEA, please see Section II of the DPR or visit AAFC's Departmental Sustainable Development website[VIII]. For complete details on the FSDS, please visit Environment Canada's website[IX].

Section II: Analysis of Programs and Sub-Programs by Strategic Outcome

Strategic Outcome 1: An environmentally sustainable agriculture, agri-food and agri-based products sector

Agriculture and Agri-Food Canada supports an economically and environmentally sustainable agriculture, agri-food and agri-based products sector that ensures proper management of available natural resources and adaptability to changing environmental conditions. Addressing key environmental challenges in Canada including agriculture's impact on water quality and water use, adaptation to the impact of climate change, mitigation of agriculture's greenhouse gas emissions and the exploration of new economic opportunities contribute to a cleaner environment and healthier living conditions for the Canadian public, while enabling the sector to become more profitable.

Performance Indicators	Targets	2012-13 Performance
Soil Quality Agri-Environmental Index*	81 by March 31, 2030	The Soil Quality Agri-Environmental Index rose from 74 in 2001 to 77 in 2006, well within the *Good* range with an improving trend, indicating management efforts are effective.
Water Quality Agri-Environmental Index*	81 by March 31, 2030	The Water Quality Agri-Environmental Index was within the *Good* range but showed a deteriorating trend, declining from 85 in 2001 to 78 in 2006. This is due to an overall increase in supplemental nutrients as there was an increase in farmland under cultivation.
Air Quality Agri-Environmental Index*	81 by March 31, 2030	The Air Quality Agri-Environmental Index was 63 within the *Good* range and showed an improving trend between the 2001 and 2006 reporting period. This is attributed to increased adoption of conservation and no-till practices, increased forage and permanent cover crops, and reduced use of summerfallow.
Biodiversity Quality Agri-Environmental Index*	81 by March 31, 2030	The Biodiversity Agri-Environmental Index was 49, within the *Average* range on the Agri-Environmental Index, showing a stable trend between the 2001 and 2006 reporting period.
Note: Indices based on latest Environmental Sustainability of Canadian Agriculture report that was published in 2010. New analysis is to be completed by March 2014. * The indices[X] listed measure agri-environmental progress in each of the four key areas of soil, water, air, and biodiversity. The scale for these indices is: 0-20 = Unacceptable; 21-40 = Poor; 41-60 = Average; 61-80 = Good; and 81-100 = Desired. A target of 81-100, with a stable or improving trend, represents the desired value for the sector's performance.		

Programs and Sub-Programs

Program 1.1 Environmental Knowledge, Technology, Information and Measurement

Description

AAFC is focused on supporting the sector through initiatives that enable it to use a more systematic management approach to making decisions with respect to environmental risks, and help identify suitable corrective actions. AAFC is conducting basic and applied research to improve scientific understanding of agriculture's interactions with the environment on the key environmental challenges facing Canada and its regions; developing sustainable agricultural practices and validating environmental and economic performance at the farm and landscape levels; and developing, enhancing and using agri-environmental indicators, greenhouse gas accounting systems and economic indicators to assess the sector's environmental and economic sustainability. This program provides the platform for innovation and discovery of technologies and strategies to improve the agri-environmental performance of the sector.

Financial Resources ($ millions – net)

Total Budgetary Expenditures (Main Estimates) 2012–13	Planned Spending 2012–13	Total Authorities (available for use) 2012–13	Actual Spending (authorities used) 2012–13	Difference 2012–13 (Planned vs. Actual Spending)
53.7	53.7	85.6	82.9	29.2

Difference in financial resources is largely due to a realignment among Programs. Actual spending of $82.9 million is in line with spending in previous years.

Human Resources (Full-Time Equivalents – FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
658	609	(49)

Actual FTEs are lower than Planned primarily due to recent savings initiatives undertaken by the Government. The Department is progressing on reducing the number of FTEs in accordance with the targets established over a two-year period. Planned FTEs did not reflect these factors due to timing of the preparation of the Report on Plans and Priorities.

Performance Results

Program Expected Result	Performance Indicator	Target	Actual Result
Agriculture and agri-food sector makes decisions that incorporate sound environmental practices	Percentage of farms in Canada which have a formal Environmental Farm Plan (EFP) Note: the 2006 Farm Environmental Management Survey (FEMS) results indicate that 27% of all farms had an EFP.	34% by March 31, 2013	Over 35% of farms indicated they had an EFP based on the 2011 Farm Environmental Management Survey[XI] results. Note: Next FEMS survey results will be available in late 2013

Note: FEMS targets 18,000 crop and livestock farms across Canada and has had a high rate of participation in all years (over 70%).

Performance Analysis and Lessons Learned

AAFC played a lead role in contributing to environmental benefits and reducing environmental risks by supporting sector decision-making and developing sustainable products and practices. Work focused on water use, water quality, air quality, and biodiversity, adapting to climate change, and mitigating greenhouse gasses; at the same time, the Department helped explore economic opportunities related to sound environmental stewardship. Highlights included:

- work with provincial and industry partners to focus agri-environmental programs on innovation and adoption of beneficial management practices and sustainable economic activity under Growing Forward; and
- increased adoption of innovative beneficial management practices, such as zero tillage, precision farming and the use of innovative fertilizer formulations.

Sub-Program 1.1.1 Agri-Environmental Science

Description

AAFC develops knowledge and technologies that will improve the agri-environmental performance of agriculture and will minimize the potential negative impacts of agriculture on the resources (air, water, soil, and bioresources) used by agriculture and the agri-food and agri-based sector, and improve the agri-environmental performance of agriculture, while maintaining and/or improving the sustainability of the sector. This sub-program consists of conducting basic and applied research to provide the scientific knowledge essential to characterize and quantify the effects of agricultural production on soil, water, air, and biodiversity. This knowledge is essential to develop Beneficial Management Practices that will improve the agri-environmental performance of agriculture, and to advise policy makers, land resource specialists, extension

specialists, and producers on how to improve agricultural practices and enhance the sustainable management of agricultural resources.

Financial Resources ($ millions – net)

Planned Spending 2012–13	Actual Spending 2012–13	Difference 2012–13
23.7	36.6	12.9

Difference in financial resources is largely due to a realignment among Programs.

Human Resources (Full-Time Equivalents – FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
297	294	(3)

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Increased understanding by the agri-food sector of the interactions and impact of agricultural practices on the environment (soil, water, air, and bioresources)	Number of technology transfers to stakeholders Data Source: Scientist Productivity Templates; Science and Technology Branch Database	400 by March 31, 2013	598 (2009-13)
Increased understanding by the agriculture and agri-food sector of the potential for using bio-resources	Number of technology transfers to stakeholders Data Source: Scientist Productivity Template; Office of Intellectual Property and Commercialization Database	150 by March 31, 2013	224 (2009-13)

Performance Analysis and Lessons Learned

An evaluation of the Agri-Environmental Science Sub-Program found that its projects are effectively targeting research questions about the interaction of agriculture and the environment, and producing peer-reviewed scientific publications that contributed to an increased understanding of the agriculture-environment dynamic. The evaluation noted knowledge transfer, and the monitoring and reporting of project costs as areas to strengthen in future programming.

Sub-Program 1.1.2 Agri-Environmental Applications

Description

Agri-Environmental Applications uses knowledge and information to improve the agri-environmental decision-making capacity of farmers. This program develops and adapts technologies for sustainable agricultural practices on farms and larger agricultural landscapes across Canada.

Financial Resources ($ millions – net)

Planned Spending 2012–13	Actual Spending 2012–13	Difference 2012–13
29.2	45.1	15.9

Difference in financial resources is largely due to a realignment among Programs.

Human Resources (Full-Time Equivalents – FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
359	313	(46)

Actual FTEs are lower than Planned primarily due to recent savings initiatives undertaken by the Government. The Department is progressing on reducing the number of FTEs in accordance with the targets established over a two-year period. Planned FTEs did not reflect these factors due to timing of the preparation of the Report on Plans and Priorities.

Performance Results

Expected Result	Performance Indicator	Target	Actual Result
Producers and stakeholders have access to knowledge and the opportunity to develop expertise to support the sustainable use of agricultural land and water resources	Number of subject areas addressed	5 by March 31, 2013	8 subject areas addressed Source: Program administration

Sub-Program 1.1.3 Agri-Environmental Sustainability Assessment

Description

Agri-Environmental Sustainability Assessment will assess and report on the collective environmental and economic impact of the adoption of sustainable agriculture practices by farmers on the Canadian landscape through two sub-programs: National Agri-Environmental Health Analysis and Reporting Program and National Carbon and Greenhouse Gas Accounting and Verification System. Measuring environmental performance of the sector evolves over time and is critical to inform decision making, demonstrate progress to the public and assess the impact on priority areas.

Financial Resources ($ millions – net)

Planned Spending 2012–13	Actual Spending 2012–13	Difference 2012–13
0.8	1.2	0.4

Human Resources (Full-Time Equivalents – FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
2	2	0

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Agri-environmental indicators are available to assess and report on the sector's environmental and economic sustainability	Regular reporting on the environmental sustainability of Canadian agriculture	Full reporting by March 31, 2013	The most recent full indicator reporting was prepared in 2010. Full reporting scheduled for March 31, 2013 has been rescheduled for March 31, 2014 due to a delay in availability of required input data.
The sector is provided annually with a transparent and internationally accepted estimate of greenhouse gas emissions and removals from agriculture, with uncertainty and carbon intensity estimates	Number of requirements met for methodological and data improvements resulting from regular formal international and interdepartmental review	20 by March 31, 2013	30 Improvements developed through the National Carbon and Greenhouse Gas Accounting and Verification System (NCGAVS) program are documented in 30 peer-reviewed publications, reports and developed databases.

Performance Analysis and Lessons Learned

An evaluation of AAFC's Environmental Performance Measurement and Reporting Programs assessed the National Agri-Environmental Health Analysis and Reporting Program (NAHARP) and the National Carbon and Greenhouse Gas Accounting and Verification System (NCGAVS). NAHARP was found to inform decision-makers and policy-makers about conditions and trends related to key agri-environmental issues. The NCGAVS program was found to meet requirements set out in a Memorandum of Understanding with Environment Canada on reporting greenhouse gas estimates on agricultural lands.

FSDS Target 3.6: Fresh Water Quality (agriculture, agri-food and agri-based products sector)

FSDS Goal	FSDS Performance Indicator	FSDS Target	FSDS Performance Status
Goal 3: Water Quality: Protect and enhance the quality of water so that it is clean, safe and secure for all Canadians and supports healthy ecosystems	Water Quality and Soil Quality Agri-Environmental Indices (aggregates of 4 water quality and 6 soil quality indicators respectively)	Fresh Water Quality: Achieve a value between 81-100 on each of the Water Quality and Soil Quality Agri-Environmental Indices by March 31, 2030	In 2006, the Water Quality Agri-Environmental Index was rated as good (78); however, it has declined by 7 points from 2001 when it was in the desired level; the Soil Quality Agri-Environmental Index was 77 (in 2006), an improvement from 2001 (by 3 points) Note: Index based on latest Environmental Sustainability of Canadian Agriculture report which was published in 2010. New analysis is to be completed by March 2014

In 2006, the Water Quality Agri-Environmental Index was rated as good (78); however, it has declined by seven points from the desired level. The Soil Quality Agri-Environmental Index was 77 (in 2006), an improvement from 2001 by three points. These high ratings on the agri-environmental performance indices mean that, overall, Canadian farmers are working in a manner that protects the environment.

While still in the good range, a decline of the Water Quality Agri-Environmental Index at the national level was due to increased application of nutrients (nitrogen and phosphorus) as fertilizers and manures on farms. In areas of higher precipitation, increased water flow through the soil increases runoff from land where pesticides and fertilizers were applied and can result in poorer water quality in receiving waters. The increased use of Environmental Farm Plans and

Beneficial Management Practices should reduce agricultural risks to water quality over the long term. For the most up-to-date information on this indicator, see the Canadian Environmental Sustainability Indicators[XII].

Program 1.2 On-Farm Action

Description

AAFC supports farmers through direct on-farm programming that identifies environmental risks and opportunities and promotes the continuous growth of the stewardship ethic within the agriculture and agri-food industry. AAFC supports farmers through agri-environmental risk assessment and planning; providing expertise, information and incentives to increase the adoption of sustainable agriculture practices at the farm and landscape levels; investigating and developing new approaches that encourage and support the adoption of sustainable agriculture practices; and increasing the recognition of the value of sustainable agriculture practices. This program supports environmental stewardship and helps reduce the sector's overall impact on the environment. It contributes to a cleaner environment and healthier living conditions for Canadian people, and a more profitable agriculture sector.

Financial Resources ($ millions – net)

Total Budgetary Expenditures (Main Estimates) 2012–13	Planned Spending 2012–13	Total Authorities (available for use) 2012–13	Actual Spending (authorities used) 2012–13	Difference 2012–13 (Planned vs. Actual Spending)
130.9	130.9	104.5	93.0	(38.0)

Difference in financial resources is largely due to a realignment among Programs. Actual Spending was less than authorized due to timing of implementation for multi-year projects under the AgriFlexibility program (reduction in spending from prior year of $14.0 million).

Human Resources (Full-Time Equivalents – FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
397	337	(60)

Actual FTEs are lower than Planned primarily due to recent savings initiatives undertaken by the Government. The Department is progressing on reducing the number of FTEs in accordance with the targets established over a two-year period. Planned FTEs did not reflect these factors due to timing of the preparation of the Report on Plans and Priorities.

Performance Results

Expected Result	Performance Indicator	Target	Actual Result
Improved agri-environmental risk assessment and risk mitigation by agricultural producers	Percentage of farms in Canada taking action on their Environmental Farm Plans (EFP) Note: the 2006 Farm Environmental Management Survey (FEMS) results indicate that 90% of all farms had implemented at least 1 BMP.	92% by March 31, 2013	The 2011 FEMS results show that 95% of farms with an EFP have implemented at least 1 BMP from the plan.

Note: Approximately 35% of farms in Canada had an EFP in 2011.

Performance Analysis and Lessons Learned

AAFC supported producers through direct on-farm programs and technical advice related to air, water, soil, and biodiversity conservation. The Department helped producers adopt new technologies and production practices, and implement comprehensive environmental farm plans (EFP) to achieve progress on environmental goals.

According to the Farm Environmental Management Survey (FEMS)[XI], the proportion of farms with an EFP continues to increase across Canada (from 28% to 35% between 2006 and 2011). In addition, 95% of these farms are adopting BMPs from their EFP. This indicates a continued commitment on behalf of farmers to take action and mitigate on-farm risks.

FEMS targets 18,000 crop and livestock farms across Canada and has had a high rate of participation in all years it was conducted (over 70%).

An evaluation of AAFC's Water Infrastructure Program found that its objectives and activities are a legacy of the Prairie Farm Rehabilitation Administration mandate and are not aligned with current federal government priorities, roles and responsibilities, or with departmental strategic outcomes. While the evaluation found that AAFC is managing to acceptable levels the risks associated with owning and operating water storage and conveyance infrastructure, the risks are high relative to the benefits obtained, particularly given that few AAFC water control and conveyance structures provide agricultural benefits.

Sub-Program 1.2.1 Technical Information Transfer

Description

Technical Information Transfer is interpreting and transferring technical information to farmers and others for actions that improve sustainability on agricultural lands. This technical assistance integrates practices for environmentally responsible agriculture with other on-farm actions and is coordinated with local land use planners, conservation authorities and others, and effectively communicates the benefits of changing practices.

Financial Resources ($ millions – net)

Planned Spending 2012–13	Actual Spending 2012–13	Difference 2012–13
32.6	26.0	(6.6)

Difference in financial resources is due in part to a realignment among Programs.

Human Resources (Full-Time Equivalents – FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
396	335	(61)

Actual FTEs are lower than Planned primarily due to recent savings initiatives undertaken by the Government. The Department is progressing on reducing the number of FTEs in accordance with the targets established over a two-year period. Planned FTEs did not reflect these factors due to timing of the preparation of the Report on Plans and Priorities.

Performance Results

Expected Result	Performance Indicator	Target	Actual Result
Increased awareness of technical assistance and information for the agriculture sector	Number of stakeholders accessing technical assistance through planned activities	2,000 (over a 4-year period) by March 31, 2013	46,973

Performance Analysis and Lessons Learned

Technical assistance and information is transferred to stakeholders through a variety of venues and methods such as workshops, agriculture fairs and field days. The program has seen a strong response rate from stakeholders in events held.

As part of technical information programming, the Canada-Saskatchewan Irrigation Diversification Centre Outlook holds annual field days in July. Attendance varies but is in the

range of 200 to 400 individuals per day. In addition to tours, the field day includes a trade show consisting of approximately 30 displays featuring innovation and technology transfer in the irrigation industry.

Topics vary from year to year but have included: canola agronomy, solar power irrigation technology, irrigated variety trials, vegetable production information sessions, Greenhouse Gas mitigation under irrigation, use of surface and sub-surface drainage for irrigation, irrigation scheduling, and potato agronomy.

Sub-Program 1.2.2 Agri-Environmental Risk Assessment

Description

Agri-Environmental Risk Assessment provides a systematic approach to farmers, through federal-provincial partnerships, to assess priority environmental risks and address them by developing effective plans to mitigate these risks.

Financial Resources ($ millions – net)

Planned Spending 2012–13	Actual Spending 2012–13	Difference 2012–13
76.0	60.5	(15.4)

Difference in financial resources is due in part to a realignment among Programs.

Human Resources (Full-Time Equivalents – FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
0	0	0

FTEs in support of this sub-program are shared and are reported under other sub-programs.

Performance Results

Expected Result	Performance Indicator	Target	Actual Result
Development of agri-environmental risk assessments by the agriculture and agri-food sector	Number of new and updated agri-environmental risk assessments developed	50,000 (over the preceding 4-year period) by March 31, 2013 Excludes Nunavut Agri-Environmental Risk Assessment programming varies in each province and territory (e.g. individual risk assessment, group risk assessment, one-on-one	38,295 (Actual Result is as of the 2nd quarter of 2012-13. Final data will be submitted by provinces and territories in 2013-14.)

		approach, workshop approach, funding levels, etc.)	

Performance Analysis and Lessons Learned

Through FPT partnerships, funding was allocated to producers to support the development of individual agri-environmental risk assessments and EFPs. These EFPs identify ways in which agricultural and agri-food businesses could improve their environmental performance and are intended to help businesses to incorporate environmental considerations into everyday business decisions, rather than addressing environmental considerations in a reactive way.

Participation in an EFP had a significant positive impact on the adoption of beneficial management practices (BMP) that were partially funded under Sub-Program 1.2.3. Initial reporting on the results is positive and program uptake among producers remained high.

Sub-Program 1.2.3 Agri-Environmental Risk Assessment Implementation

Description

Agri-Environmental Risk Assessment Implementation aims to increase the adoption of sustainable agriculture practices at farm and landscape levels. These federal-provincial practices are designed to minimize and mitigate impacts and risks to the environment, by maintaining or improving the quality of soil, water, air, and biodiversity; ensure the long-term health and sustainability of natural resources used for agricultural production; and support the long-term economic and environmental viability of the agriculture industry.

Financial Resources ($ millions – net)

Planned Spending 2012–13	Actual Spending 2012–13	Difference 2012–13
-	-	-

There is no Planned Spending or Actual Spending to report as oversight and management of provincial and territorial activities under *Growing Forward* are reported under the Internal Services program.

Human Resources (Full-Time Equivalents – FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
0	0	0

There are no FTEs to report as oversight and management of provincial and territorial activities under *Growing Forward* are reported under the Internal Services program.

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
BMPs are adopted by producers	Number of on-farm BMP projects completed	17,000 by March 31, 2013 Excluding Nunavut and the Northwest Territories	28,486 (Actual Result is as of the 2nd quarter of 2012-13. Final data will be submitted by provinces and territories in 2013-14.)
BMPs are adopted by producers and paid by the program	Total dollars leveraged to implement BMPs	$100 million by March 31, 2013 Excluding Alberta, Ontario, Nunavut, and the Northwest Territories	$196.6 million (Actual Result is as of the 2nd quarter of 2012-13. Final data will be submitted by provinces and territories in 2013-14.)
Increased resiliency of natural resources through the management of agricultural lands and the sequestration of atmospheric carbon	Tonnes of carbon sequestered through the establishment and management of perennial vegetation	1.5 megatonnes by March 31, 2059	The trees planted in 2012 are expected to sequester .9 megatonnes by 2059. The trees planted from 2008-2012 are expected to sequester 5.74 megatonnes by 2059.

Performance Analysis and Lessons Learned

Many of the BMP programs across Canada are longstanding, and have received significant support under both Agricultural Policy Framework and *Growing Forward*. Some provincial evaluations completed in 2012-13 noted that demand for BMP programming in 2012-13 remained strong. Evidence of this demand resulted in higher expenditures than planned for federal-provincial partnership programs. Program funding includes, but was not limited to, projects that sought to improve the management of water resources, air quality, soil productivity, nutrient-use efficiency, and wildlife habitat.

Sub-Program 1.2.4 AgriFlexibility – Environmental Action

Description

AgriFlexibility seeks to assist the agricultural sector to adapt to pressures and improve its competitiveness by funding non-business risk-management measures that will reduce costs of production, improve environmental sustainability, promote innovation, and respond to market challenges. AgriFlexibility funding is delivered to applicants either directly by AAFC or by provinces and territories or industry groups who have presented successful proposals to AAFC for a specific purpose to a targeted clientele.

The Environmental Action component of AgriFlexibility seeks to help the agriculture and agri-food industry improve environmental sustainability, effluent management and eco-efficiency, while reducing greenhouse gas emissions and increasing the use of renewable energy.

While AAFC *Growing Forward* programming aims to increase the adoption of sustainable agricultural practices at farm levels, AgriFlexibility – Environmental Action helps improve environmental performance by developing new tools and methods for the industry.

Financial Resources ($ millions – net)

Planned Spending 2012–13	Actual Spending 2012–13	Difference 2012–13
22.4	6.5	(15.9)

Difference in financial resources is largely due to a realignment among AgriFlexibility programs. In addition, actual spending was less than authorized due to timing of implementation for multi-year projects under the AgriFlexibility program.

Human Resources (Full-Time Equivalents – FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
1	2	1

Performance Results

Expected Result	Performance Indicator	Target	Actual Result
Producers, partners or industry implement actions to improve their environmental practices	Number of actions implemented by producers to improve their environmental practices	279 by March 31, 2014	147 from July 2009 to March 31, 2013

Performance Analysis and Lessons Learned

There were four initiatives funded under the Environmental Action component of AgriFlexibility program. All four initiatives are cost-shared federal-provincial initiatives.

This sub-program will not likely achieve its initial target. Numerous actions that were to be implemented by producers to improve environmental practices under two cost-shared projects were delayed and had lower uptake than anticipated. In one case, they were large capital projects in the hog industry that required comprehensive due diligence resulting in delays. Due to the relatively high costs related to this type of project, participation was lower than initially anticipated.

In the second case, the projects assisted in the conduct of on-farm energy audits to provide recommendations to the farmer on renewable energy options specific to his or her operation. Many participants were interested in specific technology and equipment which were not yet available, thus resulting in delays.

FSDS Target 3.6: Fresh Water Quality (agriculture, agri-food and agri-based products sector)

FSDS Goal	FSDS Performance Indicator	FSDS Target	FSDS Performance Status
Goal 3: Water Quality: Protect and enhance the quality of water so that it is clean, safe and secure for all Canadians and supports healthy ecosystems	Water Quality and Soil Quality Performance Indices (aggregates of 4 water quality and 6 soil quality indicators respectively)	Fresh Water Quality: Achieve a value between 81-100 on each of the Water Quality and Soil Quality Performance Indices by March 31, 2030	78 for Water Quality 77 for Soil Quality

The indices are based on latest Environmental Sustainability of Canadian Agriculture report published in 2010. This report is updated every five years. The next report is expected to be completed by March 2014. These high ratings on the agri-environmental performance indices mean that, overall, Canadian farmers are working in a manner that protects the environment.

The Soil Quality Agri-Environmental Performance Index was 77 in 2006, an improvement from 2001 by three points.

The Water Quality Agri-Environmental Performance Index was rated as good (78) in 2006, a decline of seven points from the desired level. The decline of the Water Quality Agri-Environmental Performance Index at the national level was due to increased application of nutrients (nitrogen and phosphorus) as fertilizers and manures on farms. In areas of higher precipitation, increased water flow through the soil increases runoff from land where pesticides and fertilizers were applied and can result in poorer water quality in receiving waters. The increased use of Environmental Farm Plans and Beneficial Management Practices should reduce agricultural risks to water quality over the long term. For the most up-to-date information on this indicator, see the Canadian Environmental Sustainability Indicators[XII].

Strategic Outcome 2: A competitive agriculture, agri-food and agri-based products sector that proactively manages risk

Canada's capacity to produce, process and distribute safe, healthy, high-quality, and viable agriculture, agri-food and agri-based products is dependent on its ability to proactively manage and minimize risks and to expand domestic and global markets for the sector by meeting and exceeding consumer demands and expectations. Proactive risk management to ensure food safety, market development and responsiveness, and improved regulatory processes contribute directly to the economic stability and prosperity of Canadian farmers and provide greater security for the Canadian public regarding the sector.

Performance Indicator	Target	2012-13 Performance
Gross Domestic Product (GDP) in constant dollars (2002) of the agriculture and agri-food sector (includes seafood processing)	$46.9 billion by March 31, 2013 This represents a 10% increase from the 2009 GDP ($42.5 billion).	Canada's GDP in agriculture and food and beverage processing was $46.7 billion for the first 10 months of 2012, which was 0.9% higher than the 2009 calendar year (2009 GDP has been revised to $46.3 billion from $42.5 billion). GDP data for the complete 2012-13 fiscal year has not yet been released. Since the recession of 2009, the overall agriculture and agri-food system has grown at a steady rate of 0.3% per year, compared to more moderate growth in the overall economy of 1.2% per year between 2009 and 2012. Progress towards the strategic outcome has been positive.

Programs and Sub-Programs

Program 2.1 Business Risk Management

Description

AAFC has a comprehensive business risk management program (BRM) to better equip producers with the tools and capacity to manage business risks. This program provides coverage for small income declines, margin-based support for larger income losses, a disaster relief framework for rapid assistance to producers, and production insurance to protect farmers against production losses due to uncontrollable natural hazards. In addition, assistance to producers through the provision of financial guarantees facilitates the marketing of producers' products when market conditions and prices may be more favourable.

Financial Resources ($ millions – net)

Total Budgetary Expenditures (Main Estimates) 2012–13	Planned Spending 2012–13	Total Authorities (available for use) 2012–13	Actual Spending (authorities used) 2012–13	Difference 2012–13 (Planned vs. Actual Spending)
1,295.7	1,859.4	1,434.9	1,420.0	(439.4)

Difference in financial resources is primarily due to the reduced requirement for Business Risk Management program funding as a result industry conditions and strong commodity prices and less need for disaster response initiatives.

Human Resources (Full-Time Equivalents – FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
418	375	(43)

Actual FTEs are lower than Planned primarily due to recent savings initiatives undertaken by the Government. The Department is progressing on reducing the number of FTEs in accordance with the targets established over a two-year period. Planned FTEs did not reflect these factors due to timing of the preparation of the Report on Plans and Priorities.

Performance Results

Expected Result	Performance Indicators	Targets	Actual Results
Producers' income losses are reduced	Current year producers' net market income (NMI) plus BRM payments compared to the previous 5-year average NMI plus BRM payments for the sector. Target is 85% of the previous 5-year average NMI plus BRM payments	85% by March 31, 2013	132% High market revenues, combined with BRM program payments, resulted in the measure being well beyond the 5-year average.
	Percentage of producers considering the BRM suite of programs as an effective tool to manage income losses	At least 70% of producers, from among those surveyed by March 31, who lost income	78% The national BRM survey was conducted in March 2010. The 2013 Strategic Issues Tracking Survey shows that when producers were asked how effective AgriStability and AgriInvest were at helping manage risks, 55% and 75%, respectively, responded that it was effective.

Performance Analysis and Lessons Learned

In September 2012, FPT Ministers reached an agreement on the content of the *Growing Forward 2* policy framework for the agriculture, agri-food and agri-products sector. The new five-year agreement includes strategic investments of over $3 billion in innovation, competitiveness and market development, including a 50% increase in governments' cost-shared initiatives. Programming changes under GF2 were, in part, driven by lessons learned through consideration of BRM performance indicators under *Growing Forward*.

Under GF2, FPT governments have agreed to facilitate the development of private risk-management tools. Starting in 2013, the federal government will support industry-led research

and development projects for new insurance-based tools and other products. Support will be available for shared FPT initiatives to implement and administer new risk management tools.

In addition, FPT governments agreed to continue to deliver a complete and effective suite of BRM programs to ensure farmers are protected against severe market volatility and disasters. The BRM programs under GF2 were built based on the previous GF policy framework that helped reduce producers' income losses resulting from factors beyond their control.

In 2012-13, FPT governments delivered BRM programs, designed under the previous policy framework, to support Canadian producers. In that year, the federal portion of the cost-shared BRM programs represented over $1.4 billion in program expenditures.

The BRM suite of programs, with the exception of AgriInsurance, has a two-year delay in reporting results due to the time it takes for producers to file taxes, and for delivery agents to process files and to synthesize data. Therefore, the most recent data available for these programs is from the 2010 program year.

High commodity prices have resulted in producers' receiving high returns from the market. With these high market revenues, the total revenues including BRM program payments resulted in the indicator measure being beyond the five-year average and exceeding the target.

External reviews, including a study by the Organization of Economic Cooperation and Development, concluded that the programs covered producers' normal risks. Similarly, industry indicated at GF2 engagement sessions that, although some changes were needed, BRM core programs were effective and should remain under the new policy framework. The resulting suite of BRM programs under GF2 will provide coverage for disasters and severe market volatility, while not masking market signals.

Sub-Program 2.1.1 AgriStability

Description

The AgriStability Program assists producers in addressing their income loss by providing payments corresponding to losses greater than 15% of their historical reference margin. The objective of this whole-farm margin-based program is to assist producers to better manage their business risks, particularly for those reasons beyond their control. AgriStability is cost-shared 60:40 by federal and provincial and territorial governments.

Financial Resources ($ millions – net)

Planned Spending 2012–13	Actual Spending 2012–13	Difference 2012–13
634.4	429.5	(204.9)

AgriStability is demand-driven, rather than being funded from a set allocation for each fiscal year. Although the administrative costs of the program remain relatively constant, the variance of the year-to-year grant and contribution payments is directly related to both participation and industry conditions. Actual Spending was lower than Planned Spending due to industry conditions strengthened by increased commodity prices.

Human Resources (Full-Time Equivalents – FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
338	288	(50)

Actual FTEs are lower than Planned primarily due to recent savings initiatives undertaken by the Government. The Department is progressing on reducing the number of FTEs in accordance with the targets established over a two-year period. Planned FTEs did not reflect these factors due to timing of the preparation of the Report on Plans and Priorities.

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Short-term impacts of large income losses are mitigated	Participants' farm market revenues compared to total farm market revenues	75% by March 31, 2013	74.1%
Short-term impacts of large income losses are mitigated	Participants' production margins with payments compared to reference margins	65% by March 31, 2013	73.8%

Performance Analysis and Lessons Learned

In June 2012, AAFC's Office of Audit and Evaluation (OAE) tabled its report entitled *Evaluation of Income Stability Tools – AgriStability and AgriInvest.* The purpose of this evaluation was to examine the relevance and performance of both programs offered under the BRM suite as part of AAFC's national agricultural policy framework, *Growing Forward.*

The evaluation found that government support for the agricultural sector has helped producers manage business risk and income variability, and that both the AgriStability and AgriInvest programs are performing well in terms of coverage and participation. While BRM programs are designed to work in a complementary manner, the AgriStability and AgriInvest programs cover all levels of risk and there is some overlap within the BRM suite of programs. The evaluation did highlight areas where program efficiency could be improved. The results of the evaluation informed the discussions leading up to the next agricultural policy framework, GF2.

Consistent with the OAE review, departmental performance indicators show that despite a slow decline in AgriStability participation, the program continues to provide coverage for a substantial amount of the sector's total market revenues, and individual producer margins. This demonstrates the continued relevance of the program for the agricultural sector.

As well, performance indicators show that the administrative efficiency of the program continues to improve. Administrative costs of delivering the AgriStability program in 2010-11 increased 1% from the previous year. The target was an increase in the administration cost that was less than the rate of inflation, which was 2.0% in 2010. Additionally 74.6% of the final applications for the 2010 program year were processed within 75 calendar days. This was a significant increase from the 2009 percentage of 55.2% and was just slightly below the target of 75%. Finally, the accuracy rate of 2010 payments issued from the program was measured to be 98.3%.

A refocused AgriStability program under the GF2 framework will continue to provide assistance for severe market volatility and disasters. As GF2 changes are implemented, the performance measures and targets will be adjusted to better reflect program objectives. FPT governments have committed to monitor these BRM programs, including the impacts of program changes, throughout GF2.

Sub-Program 2.1.2 AgriInvest

Description

AgriInvest is a program designed to help producers stabilize their farm income on an individual basis by depositing funds annually into a savings account and receiving a matching government contribution. This program is cost shared 60:40 by federal and provincial and territorial governments. Producers are able to make withdrawals during periods of farm income shortfalls, to make investments in their operations, or to otherwise manage their financial risks.

Financial Resources ($ millions – net)

Planned Spending 2012–13	Actual Spending 2012–13	Difference 2012–13
276.4	230.5	(45.9)

AgriInvest is demand-driven, rather than being funded from a set allocation for each fiscal year. Although the administrative costs of the program remain relatively constant, the variance of the year-to-year grant and contribution payments is directly related to both participation and commodity prices, as producers' deposits and government contributions are based on a percentage of income generated from the sale of commodities for a production year. The difference in 2012-13 is largely due to increased commodity prices.

Human Resources (Full-Time Equivalents – FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
13	21	8

Actual FTEs are higher than Planned due to a realignment of resources among Programs.

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Producers have the flexibility in managing small financial risks	Percentage of AgriInvest producers receiving AgriStability payments and making withdrawals from their AgriInvest saving accounts	60% by March 31, 2013	35.7% Producers triggering AgriStability payments are not withdrawing from their AgriInvest accounts to the extent expected.
Producers use program account balances to address income declines or to make investments to reduce on-farm risks or increase farm revenues	Percentage of producers indicating that they use their funds to address income declines or make investments to reduce on-farm risks or increase farm revenues	At least 75% of surveyed producers by March 31, 2013	90% The national BRM survey was conducted in March 2010.

Performance Analysis and Lessons Learned

In June 2012, AAFC's Office of Audit and Evaluation tabled its report entitled *Evaluation of Income Stability Tools – AgriStability and AgriInvest*. This evaluation examined the relevance and performance of both programs offered under the BRM suite as part of AAFC's national agricultural policy framework, *Growing Forward*.

The evaluation found that government support for the agricultural sector has helped producers manage business risk and income variability, and that both the AgriStability and AgriInvest programs are performing well in terms of coverage and participation. While BRM programs are designed to work in a complementary manner, the AgriStability and AgriInvest programs cover all levels of risk and there is some overlap within the BRM suite of programs. The evaluation highlighted areas where program efficiency could be improved. The results of the evaluation informed the discussions leading up to the next agricultural policy framework, GF2.

Departmental performance measurement indicators show that AgriInvest participation is increasing, and the value of market sales covered by the program and level of producer contributions continue to exceed target levels, pointing to the continued value producers place in this program. However, the proportion of producers making withdrawals while receiving AgriStability assistance has declined. Governments will continue to engage with industry to

better understand the underlying reasons for this trend, and will continue to monitor withdrawal rates.

As with AgriStability, governments continue to pursue improvements to program administrative efficiency under the AgriInvest program. Application processing resulted in only 43% of 2010 applications being processed within 45 days versus the target of 80%. Administrative costs, however, declined on a per file basis for the 2010 program year versus the 2009 program year.

Under GF2, FPT governments have modified AgriInvest, reducing the government matching contributions while increasing producers' flexibility to use the accounts as a risk management tool. As these changes are implemented, governments will examine performance measures and targets going forward to make the necessary adjustments. FPT governments have committed to monitor the refocused suite of BRM programs, including the impacts of changes, throughout GF2.

Sub-Program 2.1.3 AgriRecovery

Description

AgriRecovery allows the federal government to assist agricultural producers affected by small-scale disasters. The program helps affected producers to quickly resume business operations and helps mitigate the impacts of the event. Initiatives under this program are cost-shared 60:40 by the federal government and participating provinces and territories.

Financial Resources ($ millions – net)

Planned Spending 2012–13	Actual Spending 2012–13	Difference 2012–13
125.0	15.6	(109.4)

The decreased spending in 2012-13 is due to less need for disaster response initiatives this year.

Human Resources (Full-Time Equivalents – FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
9	9	0

Performance Results

Expected Result	Performance Indicators	Targets	Actual Results
Farm business operations resume operations following a natural disaster	Percentage of producers still farming 1 year after the disaster	70% by March 31, 2013	97% Source: Program administrations; survey of producers affected by a disaster
	Percentage of producers who believe that the financial assistance provided under the program played a role in the recovery	75% by March 31, 2013	81% Source: Survey of producers affected by a disaster

Note: The performance results above are for the nine initiatives put in place in 2011-12. The results of the initiatives put in place in 2012-13 will be available in 2013-14, once the initiatives have been finalized and performance data analyzed.

Performance Analysis and Lessons Learned

AgriRecovery[XIII] continues to be an effective tool to respond to regional disasters and provides assistance to producers to help with disaster recovery activities. In 2012-13, governments put in place four initiatives. As of March 31, 2013, 1,659 payments were made under these initiatives totaling $14.9 million ($8.9 million federal share).

Actual Spending in 2012-13 was lower than planned due to industry conditions and stronger commodity prices, as well as less need for disaster response initiatives.

In March 2013, AAFC's Office of Audit and Evaluation tabled its report entitled *Audit of AgriRecovery – Agricultural Disaster Relief Program* (ADRP). This audit evaluated 10 initiatives and concluded that adequate controls were in place to ensure that ADRP contribution agreements were appropriate, and adequately administered and monitored.

The Department is taking steps to address several recommendations coming out of the audit including improving the recipient audit clause and formally documenting risk assessments.

Departmental performance measurement indicators demonstrate the continued relevance of AgriRecovery in meeting the needs of producers affected by natural disasters. Producers receiving AgriRecovery assistance are able to continue operating their businesses, and feel that AgriRecovery has helped them recover from disaster events.

During the discussions on GF2, industry requested greater clarity with respect to when an AgriRecovery initiative is triggered. Program administrators have also identified the need to review the timeliness of the processes and related performance indicators. Commitments have been made in the GF2 framework agreement to revise the program guidelines to provide greater clarity and officials have been working to address issues with the program processes. In the coming months, officials will be engaging industry on these changes.

Sub-Program 2.1.4 AgriInsurance

Description

AgriInsurance provides insurance against production losses for specified perils. The federal government contributes to AgriInsurance contracts offered to producers by provinces or territories. The commodities covered vary by province and territory and continue to expand to cover additional commodities.

Financial Resources ($ millions – net)

Planned Spending 2012–13	Actual Spending 2012–13	Difference 2012–13
691.5	680.5	(11.0)

Human Resources (Full-Time Equivalents – FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
17	17	0

Performance Results

Expected Result	Performance Indicators	Targets	Actual Results
Production losses are mitigated by providing effective insurance protection	Producers feel that AgriInsurance provides effective insurance to mitigate production losses	More than 70% of surveyed producers by March 31, 2013	The 2010 BRM survey indicated that producers who received insurance payments over the previous 5 years said that it met their expectations in terms of amounts received (65%), payments help recover from production losses (87%), and payments arrived in a timely manner (81%).
	Value of insured production compared to the total value of all agricultural products eligible for insurance	60% by March 31, 2013	65.2%
	Value of agricultural products eligible for insurance compared to the value of all agricultural products	85% by March 31, 2013	88.4%

Performance Analysis and Lessons Learned

In November 2012, AAFC's Office of Audit and Evaluation tabled its report entitled *Evaluation of the AgriInsurance, Private Sector Risk Management Partnerships and Wildlife Compensation Programs*. The purpose of the evaluation was to examine the relevance and performance of these three programs. The evaluation found that AgriInsurance was achieving program outcomes and that the approach of providing agricultural insurance was efficient and met the needs of the sector.

Consistent with the results of the evaluation and survey, departmental AgriInsurance performance indicators show that the program continues to provide insurance plans for the majority of Canadian crop production, and that the availability of insurance products continues to expand. This demonstrates the flexibility and the ongoing importance of the program to Canadian producers. As well, performance indicators show that the administrative efficiency of the program continued to improve. Administrative costs of delivering the AgriStability program were within the targets.

In addition to confirming the value of the program, the evaluation also recommended that FPT governments continue to work with the livestock sector to develop relevant insurance plans. However, it also suggested governments explore alternatives outside of AgriInsurance-based programming to meet livestock sector needs. Governments will continue to look at options to provide livestock producers with risk management tools, including livestock price insurance. AgriInsurance costs have increased by 18.6% from the previous year due mainly to increased commodity prices, additional acres insured, and producers switching to higher value crops.

Governments will continue to monitor program expenditures in future years to determine if they indicate any potential impacts on program performance.

The results of the AgriInsurance evaluation informed the discussions leading up to the new agricultural policy framework, GF2. As governments move forward, they will continue to monitor the performance of AgriInsurance, and will ensure that any changes in its parameters are appropriately reflected in performance indicators.

Sub-Program 2.1.5 *Canadian Agricultural Loans Act*

Description

The *Canadian Agricultural Loans Act* (CALA) is a legislated financial loan guarantee program that improves availability of credit to farmers and agricultural cooperatives. Under the CALA program, the Government of Canada guarantees to financial institutions repayment of the loans that they make to farmers and agricultural co-operatives for eligible purposes. Farmers use these loans to establish, improve and develop their farms, while agricultural co-operatives use loans to process, distribute or market the products of farming.

Financial Resources ($ millions – net)

Planned Spending 2012–13	Actual Spending 2012–13	Difference 2012–13
14.8	1.0	(13.8)

Difference is primarily due to lower interest rates causing reduced program participation, and therefore, fewer payments under the guarantee.

Human Resources (Full-Time Equivalents – FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
9	6	(3)

Performance Results

Expected Result	Performance Indicator	Target	Actual Result
Agricultural farmers and co-operatives have access to affordable capital to make investments in their farm properties	Value of registered loans awarded by lending institutions during the fiscal year	$217 million annually by March 31, 2013	1,823 loans worth $107.1 million were registered by March 31, 2013

Performance Analysis and Lessons Learned

The Canadian Agricultural Loans Act program[XIV] registers eligible asset-based loans provided to farmers and agricultural co-operatives by financial institutions for a government guarantee. Loans are intended for the establishment, improvement and development of farms, or to process, distribute and market the products by farming cooperatives. Under the CALA program, the government guarantee requires financial institutions to cap the interest rate charged on registered loans, and prescribes the maximum duration of a loan to 15 years for land purchases and 10 years for all other purposes.

In 2012-13, under the program, 1,823 loans worth $107.1 million were issued, including 245 loans worth $24.0 million to beginning farmers. The target of $217 million was not reached due mainly to continued low interest rates, which make the program less desirable to financial institutions and farmers and agricultural cooperatives.

In 2012-13, AAFC's Office of Audit and Evaluation (OAE) undertook an evaluation of the CALA, as part of AAFC's Five-Year Strategic Evaluation Plan (2011-12 to 2015-16) and as required by Treasury Board's Policy on Evaluation (2009). The evaluation is targeted for completion by October 2013. Applicants and recipients under the CALA program were consulted as part of the OAE evaluation. The results of the evaluation will also serve to inform the five-year legislative review that is required under the legislation; this review will take place in 2014.

Sub-Program 2.1.6 *Agricultural Marketing Programs Act*

Description

The Advance Payments Program (APP) and the Price Pooling Program (PPP) are two active federal loan guarantee programs legislated under the authority of the *Agricultural Marketing Programs Act* (AMPA). Under the APP, the government guarantees the repayment of the cash advances made to crop and livestock producers by third-party administrators for a specified period of time, based on the value of their agricultural product. These cash advances improve producers' cash flow throughout the year, enabling them to meet their financial obligations and benefit from the best market conditions. An eligible producer can receive an APP advance of up to $400,000 at a preferential interest rate, with the government paying the interest on the first $100,000. Producers repay their advance plus interest, as their product is sold. Target clients are producers of agricultural products as defined under the AMPA. The PPP facilitates the marketing of agricultural products under cooperative plans by guaranteeing a minimum average price of products sold by marketing agencies. This enables marketing agencies to secure financing and to issue initial delivery payments to their members. The government guarantee protects agencies against unanticipated declines in the market price of their products that exceed 35%. Target clients are marketing agencies of agricultural products defined under the AMPA.

Financial Resources ($ millions – net)

Planned Spending 2012–13	Actual Spending 2012–13	Difference 2012–13
116.2	62.6	(53.5)

Difference is primarily due to two stays of default reducing guarantee payments on advances issued in the 2008 production period, as well as low interest rates in the fiscal year resulting in significant savings.

Human Resources (Full-Time Equivalents – FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
28	31	3

Actual FTEs are higher than Planned due to a realignment of resources among Programs.

Performance Results

Expected Result	Performance Indicators	Targets	Actual Results
Agricultural producers have improved cash-flow to enable them to make better marketing decisions about their products	Number of producers receiving Advance Payments Program (APP) advances per production period	42,500 for the 2010-11 production period by March 31, 2013	25,086 producers received advances by March 31, 2013, for the 2010-11 production period 21,198 producers received advances by March 31, 2013, for the 2012-13 production

			period
	Dollar value of APP advances issued per production period	$2 billion for the 2010-11 production period by March 31, 2013*	$1.57 billion was issued in advances by March 31, 2013, for the 2010-11 production period $1.86 billion was issued in advances by March 31, 2013, for the 2012-13 production period

*The target in the corresponding RPP for 2012-13 was linked specifically to the 2010-11 production period. The 2012-13 production period results are also provided above.

Performance Analysis and Lessons Learned

The APP[XV] is a federal guarantee loan program governed by the *Agricultural Marketing Programs Act* that provided producers with a cash advance on the value of their agricultural products during a specified period.

The uptake of the program by producers fluctuates from year to year. For 2012-13, 63 agreements were put in place to deliver the APP through third-party producer organizations. Approximately $1.86 billion was issued in advances to approximately 21,198 producers. Between 2007 and 2011, the average number of producers getting advances per production period was 28,920 and the average amount advanced per production period was $1.956 billion. The 2012-13 results represent a small decrease from the averages. This is likely due to higher commodity prices and a reduction in the number of livestock producers across Canada accessing the program due to ongoing stays of default granted to 2008 emergency advances issued to cattle and hog producers.

The AMPA requires that a legislative review take place every five years. To that end, AAFC undertook a comprehensive legislative review in 2010-11 for the period 2006-07 to 2010-11. The review comprised three distinct parts: a program evaluation, a review of program delivery, and an evaluation of administrative efficiency.

As part of this comprehensive review, targeted engagement sessions were conducted across Canada with industry stakeholders, APP administrators and producer organizations in spring 2011. Additionally, 3,000 individual producers were selected to complete a questionnaire, and 20 key stakeholders were selected for a personal interview.

The findings of this comprehensive review were summarized and presented in a report to Parliament tabled in 2012. Both the APP and PPP were found to be well-designed, efficiently managed and delivered, and to contribute to the viability of farms by helping producers better manage their cash flow, which improves the financial stability of farm operations. Some program improvements were identified for the APP and are currently being considered.

Sub-Program 2.1.7 Hog Industry Loan Loss Reserve

Description

The Hog Industry Loan Loss Reserve Program (HILLRP) is aimed at assisting viable hog operations with their short-term liquidity pressures by providing long-term loans. It will reduce lenders' exposure to risk by sharing the risk of long-term loans with the Government of Canada, thereby encouraging these lenders to extend credit and facilitate debt restructuring.

Financial Resources ($ millions – net)

Planned Spending 2012–13	Actual Spending 2012–13	Difference 2012–13
0.5	0.2	(0.3)

Human Resources (Full-Time Equivalents – FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
3	2	(1)

Performance Results

Expected Result	Performance Indicator	Target	Actual Result
Viable hog operations are positioned to benefit from improving market conditions	Percentage of hog producers receiving reserve-backed loans that continue in the first 12 months to repay the loans without defaulting	65% by March 31, 2014	On track to exceed target (88% as of June 2013)

Performance Analysis and Lessons Learned

The Department continues to monitor the support put in place in 2009-10 to help the hog sector deal with immediate short-term cash-flow pressures through the Hog Industry Loan Loss Reserve Program (HILLRP).

HILLRP was designed to help viable hog operations weather economic uncertainty by transferring short-term debt into government-backed long-term loans (up to 15 years). Producers applied via their financial institutions for a consolidation loan. For each loan registered, AAFC deposited a portion of the value of the loan in a reserve fund account with the individual financial institution. In 2009-10, 21 contribution agreements were signed, although only 11 institutions issued loans. Under the HILLRP, 263 loans were made for a total of $408.1 million which amounts to $243.8 million in reserve funding.

For 2012-13, 18 of the 263 loans made have been fully repaid, 29 are impaired and the remaining 216 are in good standing. The program is on track to exceed the target which is for March 2014.

The Government of Canada will continue to share the risk with financial institutions until such time as the loans are fully paid back or until April 2025.

Sub-Program 2.1.8 Hog Farm Transition

Description

The Hog Farm Transition Program was introduced in 2009 to help the hog sector in Canada adjust to new market realities brought about by a strong Canadian currency, high feed prices, rising energy costs, lower world pork prices, and increased competition in export markets. Under the program, producers least able or willing to participate in the new tougher hog market could exit the industry in an orderly fashion by tendering bids for the amount of funding they would accept to cease production for at least three years. The resulting decline in hog production combined with the anticipated cost efficiencies associated with the remaining producers is expected to improve the overall profitability of the sector.

Financial Resources ($ millions – net)

Planned Spending 2012–13	Actual Spending 2012–13	Difference 2012–13
0.7	0.1	(0.6)

Human Resources (Full-Time Equivalents – FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
1	1	0

Performance Results

Expected Result	Performance Indicator	Target	Actual Result
Reduction in number of hogs produced in Canada	Reduction in number of hogs produced in Canada once program is fully subscribed	3.2 million by March 31, 2014	2.7 million hogs (84% of the target based on the annual production from 124,475 sows that were removed from production through the program)

Performance Analysis and Lessons Learned

The Department supported the consolidation of the hog sector. The Hog Farm Transition Program helped transition to new market realities by providing $71.7 million to 446 successful bidders who agreed to empty barns and cease production for three years.

Program 2.2 Food Safety and Biosecurity Risk Management Systems

Description

AAFC supports producers and organizations in the development and implementation of food safety, biosecurity and traceability risk-management systems to prevent and control risks to the animal and plant resource base thus strengthening the sector against widespread diseases and losses in domestic and foreign markets. The risk-management systems are national, government-recognized on-farm and/or post-farm Hazard Analysis of Critical Control Points (HACCP) or HACCP-based food safety systems, National Biosecurity Systems and a National Agriculture and Food Traceability System. These systems also support emergency management to limit the spread of animal and plant diseases, thereby reducing economic, environmental and social impacts of a crisis. A National Animal and Plant Biosecurity Strategy provides overall policy direction ensuring efforts are targeted at the highest possible biosecurity risks. Eligible recipients include national or regional non-profit organizations, producers and industry stakeholders.

Financial Resources ($ millions – net)

Total Budgetary Expenditures (Main Estimates) 2012–13	Planned Spending 2012–13	Total Authorities (available for use) 2012–13	Actual Spending (authorities used) 2012–13	Difference 2012–13 (Planned vs. Actual Spending)
94.3	97.6	121.5	92.4	(5.2)

Actual Spending was only slightly less than Planned, however increased over the previous year's $87.6 million.

Human Resources (Full-Time Equivalents – FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
310	283	(27)

Actual FTEs are lower than Planned primarily due to recent savings initiatives undertaken by the Government. The Department is progressing on reducing the number of FTEs in accordance with the targets established over a two-year period. Planned FTEs did not reflect these factors due to timing of the preparation of the Report on Plans and Priorities.

Performance Results

Expected Result	Performance Indicator	Target	Actual Result
Increased safety of the food systems	Percentage of producers participating in HACCP-based programs reporting adoption of food safety practices	45% by March 31, 2013 (The 2005 survey showed a level of participation of 28% for HACCP-based programs and in the 2008 survey it was 39%)	47% (2012 Farm Financial Survey indicated that 47% of the livestock, poultry and horticultural farms with total sales greater than $10,000 are participating in the 11 HACCP-based food safety programs)

Performance Analysis and Lessons Learned

Government-recognized and science-based food safety, biosecurity and traceability practices, tools and systems at the farm and agri-business levels helped prevent the spread of animal and plant diseases. This helped protect the sector against costly responses associated with disease outbreaks, helped continue and enhance market access, and allowed the sector to better respond to increasing demands for assurances of food safety. In turn, this strengthened domestic and international consumers' confidence in Canada as a source for safe products.

Analysis of the *2012 Farm Financial Survey (FFS)* results indicated that 47% of livestock, poultry and horticultural farms with total sales greater than $10,000 are participating in the 11 HACCP-based food safety programs that have been developed by national producer organizations. Data was collected on a sample basis of 5,121 farms that each had a total gross farm receipts (sales) greater than $10,000. However, the 2011 Census of Agriculture counted 206,000 farms in Canada of which 44,000 farms had total sales less than $10,000. This means that these smaller farms were not represented in the sample used by the 2012 Farm Financial Survey.

Sub-Program 2.2.1 Biosecurity

Description

Biosecurity is a national program covering practices, policies and procedures to prevent and control risks to the animal and plant resource base, and is increasingly recognized as an essential tool in preventing and reducing animal and plant diseases and pests from spreading, thereby reducing the costs associated with outbreaks after-the-fact. Federal, provincial and territorial governments, in partnership with industry stakeholders, work together to develop, validate and implement these standards. This program focuses on addressing the highest risk issues (determined through discussion with industry and governments) or those with the greatest potential impact on the sector.

Financial Resources ($ millions – net)

Planned Spending 2012–13	Actual Spending 2012–13	Difference 2012–13
18.6	18.4	(0.2)

Human Resources (Full-Time Equivalents – FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
1	0	(1)

FTEs in support of this sub-program are shared and are reported under other sub-programs.

Performance Results

Expected Result	Performance Indicator	Target	Actual Result
New biosecurity standards approved by the Canadian Food Inspection Agency (CFIA)	Number of biosecurity standards approved by CFIA Note: These standards are submitted to CFIA by stakeholders	6 over the life of the program by March 31, 2013	8 plus 2 generic standards (Plant and Animal)

Performance Analysis and Lessons Learned

The creation of National Biosecurity Standards exceeded expected results as eight farm-level standards were completed for the following sectors: grains and oilseeds; potatoes; beef; dairy; sheep; goat; mink; and bees. Generic plant and generic animal national biosecurity standards were also set.

Sub-Program 2.2.2 Food Safety and Biosecurity Science

Description

Food Safety and Biosecurity Science focuses on food safety and security and protection of food systems. Food-safety research includes the detection and characterization of current and emerging food-borne hazards in food production, processing, storage, and distribution. Protection and security of the food system are fundamental to ensuring Canada's food supply and the research work provides the science base for predictive modelling of security and regulatory actions. This work is complementary to the operational regulatory work of the Canadian Food Inspection Agency. Target groups for this research are government regulatory departments, industry and consumers.

Financial Resources ($ millions – net)

Planned Spending 2012–13	Actual Spending 2012–13	Difference 2012–13
36.2	34.5	(1.7)

Human Resources (Full-Time Equivalents – FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
282	257	(25)

Actual FTEs are lower than Planned primarily due to recent savings initiatives undertaken by the Government. The Department is progressing on reducing the number of FTEs in accordance with the targets established over a two-year period. Planned FTEs did not reflect these factors due to timing of the preparation of the Report on Plans and Priorities.

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Adoption by clients of detection and mitigation tools, techniques and strategies	Number of detection and mitigation tools, techniques and strategies adopted by clients	5 by March 31, 2013	8 Source: Notifications to scientists
Increased implementation of food safety and product quality enhancement and preservation systems by the agri-food sector	Number of new systems implemented by the agri-food sector	10 by March 31, 2013	10 Source: Notifications to scientists

Performance Analysis and Lessons Learned

AAFC created a geomatic-based predictive tool to anticipate and prevent the spread of pathogens to retail stores. The tool can be used for several commodities to highlight the critical points in the distribution chain to enable better preparation for fast action when required. AAFC also contributed to food safety science by:

- developing a novel volatile antimicrobial mixture to inhibit pathogens during the long-term shipment of fresh produce in sealed containers;
- devising intervention strategies to control Salmonella on alfalfa sprouts; and
- using Feline calicivirus as a quality control tool for virus detection that is now a standard practice in Canadian food virology laboratories.

Sub-Program 2.2.3 Food Safety Systems

Description

Supporting the Canadian Integrated Food Safety Initiative, Food Safety Systems focuses on developing systems and tools that the agricultural industry needs to provide safe food to enable market access and meet consumer demands. Federal programming addresses the Systems Development and Systems Recognition phases of food-safety programming. Systems Implementation is administered by provinces and territories under *Growing Forward*. Systems Development supports national (or equivalent) organizations in developing national on-farm and post-farm Hazard Analysis Critical Control Point (HACCP) or HACCP-based food-safety systems. Systems Recognition (CFIA-led) provides government recognition of on-farm and post-farm food safety systems developed by national (or equivalent) industry organizations.

Financial Resources ($ millions – net)

Planned Spending 2012–13	Actual Spending 2012–13	Difference 2012–13
15.9	15.2	(0.8)

Human Resources (Full-Time Equivalents – FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
9	9	0

Performance Results

Expected Result	Performance Indicator	Target	Actual Result
Increased number of associations engaged in food-safety activities	Number of national associations (or equivalent) developing food-safety systems	35 by March 31, 2013	23

Performance Analysis and Lessons Learned

Food-safety and traceability systems were supported through *Growing Forward's* Canadian Integrated Food Safety Initiative (CIFSI). CIFSI provided financial support to develop industry-led systems. During 2012-13, 11 food-safety project agreements were signed for a total commitment of up to $2.4 million and five traceability project agreements were signed for a total commitment of up to $1.2 million.

Overall, under *Growing Forward*, a total of 36 food-safety project agreements were signed with

23 national organizations for a total commitment of up to $10.4 million and a total of 29 traceability project agreements were signed with 16 national organizations for a total commitment of up to $20.9 million. The target of 35 national associations developing food-safety systems was not met as the program was not fully subscribed. It was anticipated that the uptake by post-farm organizations would have been greater than the actual participation. This result is primarily due to the delay in the completion of the On-Farm and Post-Farm Food Safety Recognition Programs. However, in March 2013, the Chicken Farmers of Canada was the first organization to be awarded the federal government's *Letter of Recognition* for successfully completing all requirements of CFIA's On-Farm Food Safety Recognition Program.

Sub-Program 2.2.4 Traceability

Description

The objective of traceability programming is to minimize the occurrence and extent of animal and plant health-risk incidents and enhance market access by developing the National Agriculture and Food Traceability System (NAFTS). With provinces, territories, industry, and the Canadian Food Inspection Agency, Agriculture and Agri-Food Canada is engaged in the development of the NAFTS, an integrated agriculture and food traceability platform that allows industry to respond to requirements for tracing of product. Traceability is a fundamental building block that provides more precise information and promotes the flexible use of information to integrate and support related initiatives such as food safety and biosecurity.

Financial Resources ($ millions – net)

Planned Spending 2012–13	Actual Spending 2012–13	Difference 2012–13
13.1	12.4	(0.6)

Human Resources (Full-Time Equivalents – FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
18	16	(2)

Performance Results

Expected Result	Performance Indicator	Target	Actual Result
Traceability systems implemented by industry for livestock and poultry by 2012, and for other species at later dates	Number of species for which national traceability systems are implemented	4 by 2012 (cattle, hogs, sheep, and poultry) 3 by 2013 (goats, equine and cervids) by March 31, 2013	2 achieved by 2013 (hogs, poultry) 3 partially achieved by 2013 (cattle, sheep and cervids)

Performance Analysis and Lessons Learned

An amendment to the *Health of Animals Act* was published in the Canada Gazette in June 2012, providing regulations for full hog traceability. PigTrace, an electronic database to collect hog traceability information nationally, was launched in 2013. AAFC and CFIA accepted that information available under the supply management system is sufficient to provide traceability capability for the poultry sector. Additional progress was achieved on species implementation plans for cattle, sheep and cervids (e.g., the Cattle Implementation Plan is in place, sheep adopted radio frequency identification (RFID) ear tags, and the Cervid Information Tracking System was built to accept traceability information). Industry and governments also agreed to implement Canadian Agri-Traceability Services, a single, industry-led database service provider for national traceability information.

Sub-Program 2.2.5 AgriFlexibility – Protection of the Food Supply

Description

AgriFlexibility seeks to assist the agricultural sector to adapt to pressures and improve its competitiveness by funding non-business risk-management measures that will reduce costs of production, improve environmental sustainability, promote innovation and respond to market challenges. AgriFlexibility funding is delivered to applicants either directly by AAFC or by provinces and territories or industry groups who have presented successful proposals to AAFC for a specific purpose to a targeted clientele.

The Protection of the Food Supply component of AgriFlexibility provides funding to enhance the security of the food supply for activities, recipients, projects, and initiatives that are not eligible under AAFC's *Growing Forward* programming. It promotes the adoption of proven food-safety, biosecurity, traceability and risk-management practices to ensure market access and increased demand for Canadian agricultural products.

Financial Resources ($ millions – net)

Planned Spending 2012–13	Actual Spending 2012–13	Difference 2012–13
9.9	8.6	(1.3)

Human Resources (Full-Time Equivalents – FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
0	0	0

FTEs in support of this sub-program are shared and are reported under other sub-programs.

Performance Results

Expected Result	Performance Indicator	Target	Actual Result
Improved food-safety, biosecurity, traceability, and risk-management measures	Number of food-safety plans and programs being developed	5 by March 31, 2014	5

Performance Analysis and Lessons Learned

A total of five initiatives were launched under this program. Two initiatives were to improve disease surveillance, one to develop a program to reduce the presence of Salmonella in broiler chicken, one to assist target groups of food processors in conforming with HACCP norms and one to improve traceability. All projects are progressing towards meeting their objectives.

Sub-Program 2.2.6 AgriFlexibility – Livestock Auction Traceability

Description

AgriFlexibility seeks to assist the agricultural sector to adapt to pressures and improve its competitiveness by funding non-business risk-management measures that will reduce costs of production, improve environmental sustainability, promote innovation, and respond to market challenges. AgriFlexibility funding is delivered to applicants either directly by AAFC or by provinces and territories or industry groups who have presented successful proposals to AAFC for a specific purpose to a targeted clientele.

The Livestock Auction Traceability Initiative is an up-to-$20 million program funded through the Agricultural Flexibility Fund. This federally delivered initiative will provide contributions to assist primarily in the alteration of animal-handling structures, which will enhance traceability capabilities at high-risk, high through-put sites where animals from different herds co-mingle. These sites include auction marts, assembly yards, privately managed community pastures, fairs and exhibitions, feedlots and backgrounders.

Financial Resources ($ millions – net)

Planned Spending 2012–13	Actual Spending 2012–13	Difference 2012–13
3.9	3.4	(0.5)

Human Resources (Full-Time Equivalents – FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
0	1	1

Performance Results

Expected Result	Performance Indicator	Target	Actual Result
Enhanced traceability capabilities at high-risk, high through-put co-mingling sites	The percentage of targeted co-mingling sites participating in the program that enhanced their facility's traceability capabilities (there are 1,327 targeted sites and it is estimated that approximately 416 will participate)	95% of participants by March 31, 2014	Progress to date indicates target will be reached.

Performance Analysis and Lessons Learned

Since 2011, traceability at co-mingling sites has been improved through the Livestock Auction Traceability Initiative [XVI]. To date, 341 projects were approved for a total commitment of up to $7.86 million and 110 applications are still under review.

Program 2.3 Trade and Market Development

Description

AAFC acts as Canada's agricultural trade advocate, working to break down trade barriers at home and abroad and expand opportunities for the agriculture, agri-food and agri-based products sector. AAFC assists the sector in identifying new domestic and global opportunities, markets and ways to enhance productivity, competitiveness and prosperity. AAFC also works to distinguish Canadian products under *Brand Canada International* and the *Domestic Branding Strategy* to expand and deepen the sector's strengths in the marketplace.

Financial Resources ($ millions – net)

Total Budgetary Expenditures (Main Estimates) 2012–13	Planned Spending 2012–13	Total Authorities (available for use) 2012–13	Actual Spending (authorities used) 2012–13	Difference 2012–13 (Planned vs. Actual Spending)
114.3	114.3	296.9	264.2	149.9

The difference in financial resources is primarily due to funding brought in during the year for the Canadian Wheat Board Transition Costs program to assist the Canadian Wheat Board with its costs to transition from a monopoly to a voluntary grain marketing organization.

Human Resources (Full-Time Equivalents – FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
416	404	(12)

Actual FTEs are lower than Planned primarily due to recent savings initiatives undertaken by the Government. The Department is progressing on reducing the number of FTEs in accordance with the targets established over a two-year period. Planned FTEs did not reflect these factors due to timing of the preparation of the Report on Plans and Priorities.

Performance Results

Expected Result	Performance Indicator	Target	Actual Result
Increased agricultural sector market development and access	Growth in total exports of agriculture and food	$40 billion by March 31, 2013	$47.7 billion in 2012

Performance Analysis and Lessons Learned

Canada exported an all-time high of $47.7 billion worth of agriculture, agri-food and seafood products in 2012, a 7.4% increase from the previous 2011 record year. A large increase in exports of canola seed (12.7%), wheat (8.3%) and canola oil (7.5%) has contributed to exceeding the $40 billion target. Moreover, significant increases of Canadian exports were seen in China (76.2%), in Hong Kong (26%) and Russia (20%).

As exports are extremely important to the profitability of this country's agriculture and agri-food sector, AAFC continued its effort to re-open, maintain and expand markets to create opportunities for the sector. Several successes were achieved in addressing bilateral market access issues to the benefit of the sector. Access for live cattle, beef and beef products was improved in Kazakhstan, Ukraine, Thailand, and Nicaragua. In particular, access to Japan was expanded for Canadian beef derived from animals under 30 months of age and the United Arab Emirates granted full market access to Canadian beef. In China, tallow exports were restored and exports of boneless beef under 30 months of age were expanded. AAFC also strived to reduce barriers to trade by promoting science-based measures through international standard-setting bodies.

AAFC continued to focus on key industry challenges to improve Canadian competitiveness and profitability. AAFC worked and collaborated with national and regional agricultural and food associations, individual companies and value-chain members to address barriers to growth, such as horizontal and regulatory issues.

The Department advanced domestic and international discussions on the low-level presence (LLP) of genetically modified organisms to support Canada's grain and oilseed sector, with the objective of working toward global solutions that would reduce the risk of future trade disruptions.

Sub-Program 2.3.1 Trade Negotiations and Market Access

Description

Given the sector's role as a significant agricultural importer and exporter, Canada has a fundamental interest in further strengthening the international rules governing agricultural trade, levelling the international playing field, and protecting access to key international markets for producers and processors. The Government of Canada continues to support the World Trade Organization (WTO) as one of the primary avenues to exert influence on the development and application of international rules, technical standards and policies governing the trade of agriculture products. AAFC continues to seek a favourable outcome to the WTO negotiations and pursue Free Trade Agreements with critical countries, in line with government's Global Commerce Strategy. AAFC works to ensure that export risks are minimized and opportunities are maximized for Canadian farmers, processors and export entrepreneurs. Furthermore, this program enhances Canada's market position by providing integrated services for market development, exporter preparedness, investment, market access, and technical assistance, and trade and market analysis.

Financial Resources ($ millions – net)

Planned Spending 2012–13	Actual Spending 2012–13	Difference 2012–13
14.5	12.9	(1.6)

Human Resources (Full-Time Equivalents – FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
104	104	0

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Multilateral and bilateral trade agreements that are in the best interests of the Canadian agriculture sector	Percentage increase in value of agriculture and agri-food exports resulting from the conclusion of bilateral and multilateral trade negotiations	15% increase from April 1, 2009 to March 31, 2013	Canada's agriculture and agri-food exports to the European Free Trade Association (EFTA) countries have grown by 36% since the free trade agreement (FTA) was implemented on July 1, 2009. Canada's agriculture and agri-food exports to Peru grew by 59% since the FTA was implemented on

			August 1, 2009. Canada's agriculture and agri-food exports to Colombia grew by 38% since the FTA was implemented on August 15, 2011. Note: Export growth for the Canada-EFTA and Canada-Peru FTAs were calculated by comparing the 4-year average trade in exports to the 4-year average trade in exports after the FTA was implemented. Export growth for the Canada-Colombia FTA was calculated by comparing the 2-year average trade in exports to the 2-year average trade in exports after the FTA was implemented. Since FTAs with Jordan and Panama have only been recently implemented, it is not possible at this time to calculate the percentage increase in value in agriculture and agri-food trade resulting from the FTAs coming into force.
Challenges brought against Canada's policies and programs are successfully defended and Canada's challenges against the policies and programs of other countries are successful	Percentage of cases effectively defended and successfully challenged	90% by March 31, 2013	100% success rate as of March 31, 2013
Impact of trade barriers reduced in key export markets	Percentage of trade irritants where progress is made	75% by March 31, 2013	Progress was made or resolution was achieved in 83% of Canadian agriculture and agri-food market access issues in 2012-13.*

*Progress is defined within the 2012-13 performance indicator as *movement toward a goal*. The performance result provided in this report was drawn from the new Market Access Support System (MASS), which was piloted in 2012-13. Performance indicators for 2013-14 have been revised to accommodate the contributions that the MASS information management tool will bring to measuring progress on AAFC's market access goals.

Performance Analysis and Lessons Learned

AAFC continued to play a lead role in ensuring the interests of the agriculture sector in the Government's ambitious agenda of trade negotiations. This includes the FTA entered into force with Jordan and FTA negotiations that were concluded with Panama, which both provided new export opportunities for the sector. The Department also advanced the sector's interests in ongoing trade negotiations with the European Union, with Trans-Pacific Partnership, Japan, Korea, India, Morocco, Ukraine, Costa Rica (modernization), CARICOM (Caribbean Community and Common Market), and the Central America countries of El Salvador, Guatemala and Nicaragua, and exploratory discussions with Mercosur (Common Market of the South), Thailand and Israel (modernization).

AAFC continued to work to further the World Trade Organization (WTO) agriculture negotiations, and worked with stakeholders and other government departments to successfully challenge the U.S. Country of Origin labelling regime at the WTO. While the WTO Appellate Body ruled in Canada's favour, the U.S. has not yet complied with its WTO obligations.

Sub-Program 2.3.2 Market Growth

Description

Provision of timely and specific market intelligence and analysis is enhanced to allow industry to maximize export opportunities in an increasingly competitive global environment. Work is undertaken with new and potential exporters, especially small- and medium-sized enterprises to develop competencies needed to succeed in international markets, and provide stakeholders with market information, analytical services, best practices, Canada Brand seminars, exploratory missions and trade show preparation to better ensure success.

Financial Resources ($ millions – net)

Planned Spending 2012–13	Actual Spending 2012–13	Difference 2012–13
39.2	34.9	(4.3)

Human Resources (Full-Time Equivalents – FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
99	88	(11)

Actual FTEs are lower than Planned primarily due to recent savings initiatives undertaken by the Government. The Department is progressing on reducing the number of FTEs in accordance with the targets established over a two-year period. Planned FTEs did not reflect these factors due to timing of the preparation of the Report on Plans and Priorities.

Performance Results

Expected Result	Performance Indicator	Target	Actual Result
Increase in companies that are exporting	Percentage increase in number of companies that are exporting	10% increase from April 1, 2009 to March 31, 2013	Not able to report: This same data cannot be replicated for 2012, or even beyond 2010, as it is no longer collected in the same manner; further, the publication upon which this target was based is no longer published.

Performance Analysis and Lessons Learned

To fully capture the benefits of free trade agreements and increased access to new markets, AAFC supported industry to succeed in international markets through several initiatives, such as providing market intelligence, helping the sector showcase Canadian products and assisting agricultural exporters to prepare and enter markets via the Trade Commissioner Service.

Sub-Program 2.3.3 Sector Competitiveness

Description

Government has an important role to play in creating the right conditions for Canadians and Canadian business and organizations to thrive. Sector expertise, management of cross-sectorial issues, and unbiased advice continue to be critical functions and assist the sector in maximizing its long-term profitability and competitiveness. This includes the provision of: (1) the necessary tools (e.g., market and sector data, intelligence and analysis); and (2) a mechanism for the full value chain to develop and implement sectoral strategies to optimize industry returns.

Financial Resources ($ millions – net)

Planned Spending 2012–13	Actual Spending 2012–13	Difference 2012–13
31.4	198.2	166.8

The difference in financial resources is primarily due to funding brought in during the year for the Canadian Wheat Board Transition Costs program to provide support to the Canadian Wheat Board as it became a voluntary grain marketing organization, giving Western Canadian farmers freedom to market their own wheat and barley on the open market.

Human Resources (Full-Time Equivalents – FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
203	196	(7)

Performance Results

Expected Result	Performance Indicator	Target	Actual Result
Economically sustainable domestic food industry better capable of predicting and responding to consumer demands	Canada's global competitiveness ranking	2nd from 3rd in 2010 by March 31, 2013	Canada's agri-food manufacturing sector ranked 6th out of 10 in competitiveness in 2012, when compared with the same group of mature countries as in 2010.

Performance Analysis and Lessons Learned

Compared with the 2010 group of countries, Canada slipped from third (behind Mexico and Netherlands) to sixth position (after Mexico, UK, Netherlands, Italy, and France). The main reason Canada did not achieve the objective is the appreciation of the Canadian dollar by 3.9% relative to the U.S. dollar between 2010 and 2012, while the Euro retreated by 8.1% and the British pound by 4.7%. Other factors were a higher increase in labour costs (7%) and higher increase in transportation costs (37%).

Meanwhile, Canada's agri-food manufacturing sector is facing new competition from emerging high-growth countries. Four additional high-growth countries (Brazil, Russia, China, and India) were added into the comparison analysis in 2012 and when these low-cost producing countries are added to the mix, Canada's ranking moves to 10th out of 14.

Sub-Program 2.3.4 AgriFlexibility – Increased Market Demand

Description

AgriFlexibility seeks to assist the agricultural sector to adapt to pressures and improve its competitiveness by funding non-business risk-management measures that will reduce costs of production, improve environmental sustainability, promote innovation, and respond to market challenges. AgriFlexibility funding is delivered to applicants either directly by AAFC or by provinces and territories or industry groups who have presented successful proposals to AAFC for a specific purpose to a targeted clientele.

The Increased Market Demand component of AgriFlexibility provides funding to industry associations representing national and regional commodities to enhance market access, overcome trade barriers, capture market opportunities, and develop and expand markets for value-added products. Under AgriFlexibility – Increased Market Demand contribution funding is provided to successful applicants to expand or recapture market access for Canadian food and agriculture products and to increase domestic and international demand for Canadian food and agriculture products.

Financial Resources ($ millions – net)

Planned Spending 2012–13	Actual Spending 2012–13	Difference 2012–13
17.0	10.6	(6.4)

Difference in financial resources is largely due to a realignment among AgriFlexibility Programs. In addition, actual spending was less than authorized due to timing of implementation for multi-year projects under the AgriFlexibility program.

Human Resources (Full-Time Equivalents – FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
8	7	(1)

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Agri-industry implements actions to respond to market threats and/or take advantage of emerging market opportunities	Number of initiatives addressing significant market issues	4 initiatives to address market issues in 10 countries by March 31, 2014	4 initiatives to address market issues in 10 countries
	Number of new products created	13 by March 31, 2014	30
Increase in value-chain efforts focused on innovation and/or adaptation	Number of value chains developed	3 by March 31, 2014	3

Performance Analysis and Lessons Learned

This sub-program met its targets. A total of 11initiatives were funded. The types of projects covered a broad range of issues and opportunities, ranging from research to substantiate health claims for pulses, codes of practice for livestock and poultry groups and promotion of animal welfare, a framework for producers to work together on building a competitive, sustainable and profitable cattle industry in Nova Scotia, and the development of a long-term strategy identifying countries where market access for canola could be impaired.

One example of a success story is the Competitiveness in the Pulse and Special Crop Sector: A Proactive Approach to Solutions for Technical Trade Barriers by Pulse Canada. Under this project, Pulse Canada released its web-based *Technical Trade Issues Dashboard* for the pulse and special crops industry. The Web tool dynamically monitors issues related to maximum residue levels, heavy metals, mycotoxins, and other sanitary and phytosanitary (SPS) issues. The Dashboard provides processors, traders and exporters, for the first time, a single point of access on critical issues affecting market access.

Pulse Canada also finalized under this project a comprehensive study identifying tariff and non-tariff barriers for processed pulse products in key countries of interest, including U.S., European Union (EU), Brazil, China, India, Japan, and Turkey. This work identified SPS measures and import rules and procedures as some of the major market access non-tariff barriers for processed pulse products. This information is being used to develop an action plan to reduce tariff and non-tariff barriers to trade in pulse flours and fractions.

Sub-Program 2.3.5 AgriFlexibility – Canada Brand Advocacy

Description

AgriFlexibility seeks to assist the agricultural sector to adapt to pressures and improve its competitiveness by funding non-business risk-management measures that will reduce costs of production, improve environmental sustainability, promote innovation, and respond to market challenges. AgriFlexibility funding is delivered to applicants either directly by AAFC or by provinces and territories or industry groups who have presented successful proposals to AAFC for a specific purpose to a targeted clientele.

AgriFlexibility – Canada Brand Advocacy Initiative (CBAI) focuses exclusively on consumer-oriented activities in international markets where damage has been done to the Canadian market share or where there are opportunities to grow exports. Unlike other activities undertaken in the past, promotions will be specific and sustained, targeted directly to consumers in identified priority countries. The main steps in the CBAI are the selection of markets, detailed market research to inform a targeted campaign, development and implementation of a multi-channel consumer-oriented advocacy campaign, and post-campaign evaluation. The expected result is the limiting or reversal of the impact of a specific threat (through regained market share or export levels) or the increased export of food and beverage products.

Financial Resources ($ millions – net)

Planned Spending 2012–13	Actual Spending 2012–13	Difference 2012–13
12.1	7.5	(4.5)

Difference in financial resources is largely due to a realignment among AgriFlexibility Programs. In addition, actual spending was less than authorized due to timing of implementation for multi-year projects under the AgriFlexibility program.

Human Resources (Full-Time Equivalents – FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
2	9	7

Actual FTEs are higher than Planned due to a realignment of resources among Programs.

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Increased exports of Canadian product in selected markets with growth opportunities	Increase in export value (baseline is 2008 exports valued at $302 million for Mexico and $1.1 billion for Japan) of consumer-oriented products as measured from the start of Canada Brand Advocacy activities	Mexico: 4% of 2008 exports by March 31, 2013 Japan: 4% of 2008 exports by March 31, 2013	Mexico: Increase of 14% of 2008 exports by March 31, 2013 Japan: Increase of 7% of 2008 exports by March 31, 2013
Maintained exports of Canadian products in threatened markets	Percentage dollars of export value of selected products (as measured immediately prior to the threat's impact on exports) that is maintained	75% by March 31, 2013	In 2008, Canada exported $24.5 million to Japan of lobsters decreasing to $19.5 million in 2009 (maintained more than 79% of 2008 levels) due to market concerns after Canadian lobster shipments were discovered to have exceeded Japan's tolerance for paralytic shellfish poisoning conditions. From 2008 to 2012, Canadian lobster exports have increased by more than 33%.

Performance Analysis and Lessons Learned

Due to the number of variables that impact aggregate trade data, increased consumer demand for Canadian food and beverage products attributable to CBAI activities is measured at the event and activity sales level. However, the most recent data from March 2013 for Mexico exports shows an increase of nearly 14% since 2009. Similarly, in Japan, exports have increased by 7% since 2009. In South Korea and Germany, exports have increased by 17% and more than 19% respectively since the same year.

Program 2.4 Regulatory Efficiency Facilitation

Description

AAFC is undertaking initiatives to ensure that the regulatory environment promotes sector innovation, investment and competitiveness. The Department recognizes that with the rapid pace of technological advancement and emerging gaps between international and domestic regulatory policies, Canada's regulatory environment will need to increase capacities and accelerate modernization to be responsive. The initiatives will involve working with stakeholders along the value chain to enhance their ability to fulfill regulatory requirements and collaborating with federal partners and industry to find ways of streamlining the regulatory burden through targeted actions on sector priorities, while at the same time maintaining Canada's strong regulatory

system with respect to health and safety. Improving the timeliness and transparency of science-based regulatory decision-making will also contribute to improved public stakeholder confidence.

Financial Resources ($ millions – net)

Total Budgetary Expenditures (Main Estimates) 2012–13	Planned Spending 2012–13	Total Authorities (available for use) 2012–13	Actual Spending (authorities used) 2012–13	Difference 2012–13 (Planned vs. Actual Spending)
35.7	35.7	23.7	11.7	(24.0)

Difference in financial resources is due in part to a realignment among Programs. In addition, Total Authorities are less than Planned Spending as a result of transfers to other government departments for horizontal *Growing Forward* programs. Spending was in line with the previous year's spending of $12.6 million.

Human Resources (Full-Time Equivalents – FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
62	60	(2)

Performance Results

Expected Result	Performance Indicators	Targets	Actual Results
Increased minor-use pesticides, reduced-risk pest management tools, health claims, novel foods, and ingredients that are permissible or available for use	Number of regulatory policies that are changed to facilitate innovation in health claims, novel foods and ingredients	5 by March 31, 2013	12 regulatory policies were created or updated to facilitate health claims, novel foods and ingredients
	Number of submissions for minor-use pesticides, health claims, novel foods, and ingredients that meet regulatory requirements	45 annually by March 31, 2013	66 submissions, 2 new health claims, 3 new nutrient function claims, 20 novel foods and 16 food additives, met regulatory requirements
	Number of reduced-risk pest management tools available for use	4 annually by March 31, 2013	8 reduced risk pest management tools

Performance Analysis and Lessons Learned

A competitive and innovative agriculture and agri-food sector, supported by a modernized regulatory framework and enhanced by regulatory cooperation, benefits all Canadians. AAFC worked to help new products move through the regulatory system, and assisted in developing progressive regulatory policies and processes that respond to new technologies, while maintaining health and safety standards. In addition, the Department continued to help ensure

Canadian growers had access to effective tools, practices and techniques to prevent and control pests and diseases, and improve sustainability, health and safety.

As a result of work supported by AAFC, five pest management tools that reduce the risk to human health and the environment associated with pesticide use were developed and two new uses of biopesticides were registered.

Interdepartmental collaboration remains a priority to ensure the regulatory environment is responsive to the changing needs of the agri-food sector. In addition, stakeholder dialogue, data-sharing and regulatory impact analysis will continue to be fundamental to agri-food industry regulatory compliance and competitiveness.

With respect to specific regulatory issues, AAFC worked with CFIA to complete stakeholder consultations to establish an ice-wine standard under the *Canada Agricultural Products Act*. In addition, AAFC managed stakeholder relations and provided industry with sector expertise in support of the proposed repeal of container size regulations.

Sub-Program 2.4.1 Pest Management

Description

Pest Management (including the Pesticide Risk Reduction and the Minor Use Pesticides components), delivered jointly by AAFC and Health Canada (HC), improves grower access to pest management technologies, products (including new uses) and techniques. The increased availability of new minor use pesticides and biopesticides prevent trade barriers with countries where these products are already available and reduced-risk technologies, products and techniques contribute to sustainable agriculture. Under the Minor Use component, pesticide residue, efficacy and crop-tolerance studies are conducted to generate and submit regulatory data packages to HC for new minor uses of pesticide products. In addition, collaborative work with U.S. colleagues, results in joint pesticide submissions to the regulatory agencies of both countries. The Pesticide Risk Reduction component develops technologies, tools (including biopesticides) and techniques aimed at reducing the risk to the environment and human health posed by pesticide use.

Financial Resources ($ millions – net)

Planned Spending 2012–13	Actual Spending 2012–13	Difference 2012–13
24.5	8.1	(16.5)

Difference in financial resources is due in part to a realignment among Programs. It also reflects funding that was transferred to other government departments for horizontal *Growing Forward* programs.

Human Resources (Full-Time Equivalents – FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
41	41	0

Performance Results

Expected Result	Performance Indicator	Target	Actual Result
New minor uses of pesticides available to growers	Number of new minor uses of pesticides registered through a dedicated minor use review process by the Pest Management Regulatory Agency per year	170 by March 31, 2013	241 new uses registered

Performance Analysis and Lessons Learned

The Department continued to collaborate with Health Canada's Pest Management Regulatory Agency and U.S. government departments and agencies to harmonize Canadian and American data collection procedures and documentation for new minor uses of pesticides. This collaborative work constitutes an important element of the Department's activities under the Regulatory Cooperation Council. AAFC has also helped Canadian farmers to access sustainable pest management technologies through work with researchers, registrant companies and grower organizations and by reducing obstacles through joint work with regulators in Canada and the U.S.

Sub-Program 2.4.2 Health Claims, Novel Foods and Ingredients

Description

The Health Claims, Novel Foods and Ingredients program helps industry navigate the regulatory system to accelerate the market entry of new food products, and thus advance agriculture and agri-food sector innovation in the category of foods for health. This will be done through the development and implementation of an integrated suite of industry engagement and knowledge transfer, regulatory enhancement and science substantiation activities to address regulatory-related barriers to food innovation by the agriculture and agri-food sector, commencing with a focus primarily on health claims.

Financial Resources ($ millions – net)

Planned Spending 2012–13	Actual Spending 2012–13	Difference 2012–13
11.2	3.7	(7.5)

Difference in financial resources is due in part to a realignment among Programs. Also, AAFC's planning and implementation readiness allowed the organization to advance many of its plans and strategies in support of recent savings initiatives and, as a result, AAFC was able to realize savings more quickly. It also reflects funding that was transferred to other government departments for horizontal *Growing Forward* programs.

Human Resources (Full-Time Equivalents – FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
21	19	(2)

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Enhanced sector ability to navigate the food regulatory system	Percentage of sector respondents who indicate that their ability to navigate the regulatory system has increased	75% by March 31, 2013	85%
New, innovative and safe food products and claims, focusing on health benefits	Number of new products and claims introduced by Canadian firms in the Canadian marketplace	13 by March 31, 2013 (Target represents 10 products and 3 claims)	6 new health claims and 7 pending claims 72 new products introduced as a result of the 3 claims approved earliest (oats, plant sterols and psyllium)

Performance Analysis and Lessons Learned

The goal regarding health claims, novel foods and ingredients was to accelerate innovation and availability of new food products with added health benefits. This was accomplished by improving industry's understanding of the regulatory system and by collaborating with domestic and international research networks to scientifically support health benefits and new claims for innovative food products. Other key achievements included addressing information gaps through collaborative research to validate health claims for Canadian grain, pulse and oilseed crops, and bioactive ingredients.

Program 2.5 Farm Products Council of Canada

Description

Established through the *Farm Products Agencies Act* (the Act), the Farm Products Council of Canada (FPCC) is a unique public interest oversight body which reports to Parliament through the Minister of Agriculture and Agri-Food (the Minister). The Act provides for the creation of national marketing agencies and promotion-research agencies. The FPCC supervises these agencies, and works with them to ensure that the supply management system for poultry and eggs and the check-off system for beef cattle work in the balanced interest of all stakeholders, from producers to consumers. The FPCC also provides advice to the Minister, maintains relationships with provincial supervisory governments and is an active proponent of portfolio management.

Financial Resources ($ millions – net)

Total Budgetary Expenditures (Main Estimates) 2012–13	Planned Spending 2012–13	Total Authorities (available for use) 2012–13	Actual Spending (authorities used) 2012–13	Difference 2012–13 (Planned vs. Actual Spending)
2.7	2.7	4.0	3.0	0.3

Human Resources (Full-Time Equivalents – FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
24	22	(2)

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
The domestic market share of Canadian producers of chicken, eggs, hatching eggs, and turkey is stable or increasing	Domestic market share of Canadian producers of chicken, eggs, hatching eggs, and turkey	80% by March 31, 2013	Chicken: 85.3%* Eggs: 93.3% Hatching Eggs: 82.1% Turkey: 93.8%
Consumer prices for chicken, eggs and turkey are more stable than those of other animal protein and consistent with other food prices	Relative consumer price variations for chicken, eggs and turkey are consistent with those of food prices	Consumer price variations for chicken, eggs and turkey are within plus or minus 10 percentage points of that of other agricultural products by March 31, 2013	Chicken: 4.3% Eggs: 8.2% Turkey: 7.6% All Foods: 2.4%

	Relative consumer price variations for chicken, eggs and turkey are smaller than those of other animal protein	Consumer price variations for chicken, eggs and turkey are smaller than those of other animal protein by March 31, 2013	Chicken: 4.3% Eggs: 8.2% Turkey: 7.6% Beef: 7.5% Pork: 11.1%

*Excludes stewing hens

Performance Analysis and Lessons Learned

In 2012-13, the FPCC[XXVII] continued to work with and supervise Canada Beef, Canadian Hatching Egg Producers, Chicken Farmers of Canada, Egg Farmers of Canada, and Turkey Farmers of Canada by providing checks and balances to ensure that agencies work in the balanced interest of all stakeholders.

During the reporting period, producers in the supply-managed sectors of poultry and egg industries maintained their relative domestic market share above the target 80% threshold. The Consumer Price Index (CPI) for chicken, eggs and turkey rose by 4.3%, 8.2% and 7.6% respectively. Although these increases were larger than that of food in general (2.4%), the bulk of these can be attributed to increases in feed prices, the principal input cost in poultry and egg production. Increased feed costs also contributed, to a lesser extent, to the price increases observed in other meat industries such as beef (7.5%) and pork (11.1%).

Throughout 2012-13, FPCC began to implement its 2012-2015 Strategic Plan. In particular, the FPCC continued to encourage commodity groups to take greater ownership of their research priorities, by sharing information on the establishment of promotion-research agencies. The FPCC received two requests for the creation of agencies under the *Farm Products Agencies Act* (FPAA) and began the public-hearing process to examine these proposals.

Strategic Outcome 3: An innovative agriculture, agri-food and agri-based products sector

Sector innovation includes the development and commercialization of value-added agricultural-based products, knowledge-based production systems, processes, and technologies, and equipping the sector with improved business and management skills and strategies to capture opportunities and to manage change. Such innovation is vital for ongoing growth and improvement in the productivity, profitability, competitiveness, and sustainability of Canada's agriculture, agri-food and agri-based products sector and its rural communities.

Performance Indicator	Target	2012-13 Performance
Total research and development expenditures by business enterprises in food manufacturing	$172.7 million by March 31, 2014	Total food and beverage research and development spending was $152 million for the calendar year ended 2012. This represents a 2% increase from 2011. Source: Statistics Canada Survey of R&D in Canadian Industry CANSIM table 358-0024
Percentage increase in the development of food and other agriculture derived products and services as measured by revenues from bioproducts	$1.934 billion by March 31, 2014 Note: Baseline is $1.758 billion in bioproduct revenue in 2006.* Target represents a 10% increase *Amount has been corrected to reflect bioproduct revenue in billions	Revenues from bioproducts are estimated to have risen to $1.8 billion in 2012. This represents an increase of 2.4% over the baseline. Much of this increase is attributable to an increase in biofuels production. Note: Since there have been no updates to the bioproducts development and production survey from Statistics Canada since 2009, data on bioproduct revenues were estimated based on other data sources (e.g., Medium Term Outlook for Canadian Agriculture, 2013).

Programs and Sub-Programs

Program 3.1 Science, Innovation and Adoption

Description

AAFC contributes to the competitiveness of the agriculture, agri-food and agri-based products sector by supporting innovation designed to improve profitability in new and existing products, services, processes and markets. Coordinated and informed decision-making is supported with strategic foresight, research and information sharing contributing to integrated planning engaging industry, government and academia. Collaborative action is promoted to accelerate the flow of science and technology along the innovation continuum in support of industry-defined strategies for future success. Farmers, agri-entrepreneurs and agri-based small-, medium- and large-sized enterprises are supported in their efforts to adopt new technologies and commercialize new products and services. Pathfinding and transformational research help to define future opportunities and prepare the sector for emerging opportunities and challenges.

Financial Resources ($ millions – net)

Total Budgetary Expenditures (Main Estimates) 2012–13	Planned Spending 2012–13	Total Authorities (available for use) 2012–13	Actual Spending (authorities used) 2012–13	Difference 2012–13 (Planned vs. Actual Spending)
339.4	339.4	359.2	303.2	(36.2)

Actual Spending is less than Planned Spending primarily due to factors affecting the ecoAgriculture Biofuels Capital Initiative such as high prices for grains, biofuel regulations being implemented later than anticipated in Canada and in general low economic and environmental benefits for first generation biofuels (e.g., ethanol) and as a result no new applications were received during the fiscal year. In addition, actual spending was less due to timing of implementation for multi-year projects under the AgriFlexibility program. As well, under *Growing Forward*, some projects either did not complete all their activities or the costs were less than anticipated. Due to the duration of the Agricultural Innovation Program and the time involved to complete some of the potential larger projects, a lower than anticipated number of projects was approved.

Human Resources (Full-Time Equivalents – FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
1,536	1,538	2

Performance Results

Expected Result	Performance Indicator	Target	Actual Result
Agriculture and agri-food sector that utilizes science to improve or transform commodities into new value-added products	Increase in Agriculture Net value-added. ("value-added" is a Statistics Canada measure of Canadian value-added gross domestic product) Baseline is Agriculture Net value-added in 2008 which was $15.469 billion*. Target represents a 7% increase Note: The baseline value specified above was stated in the 2012-13 RPP. Based on updated information from Statistics Canada the baseline value is being reset to $9.7 billion for 2007.	$16.562 million by March 31, 2014 Note: The target value specified above was stated in the 2012-13 RPP. This figure has been updated to $10.4 billion by March 31, 2014, to reflect additional analysis based on the previous 29 calendar year straight-line trend of Canadian Agriculture Net Value Added provided by Statistics Canada *Amounts have been corrected to reflect Agriculture Net value-added in billions.	Canada's Agriculture Net value-added increased to $17.8 billion for calendar year ended 2012. This increase reflects the record income year enjoyed by Canadian agriculture in 2012. Note: Estimate is based on AAFC data modeling; the previous source of information is no longer available.

	*Amounts have been corrected to reflect Agriculture Net value-added in billions.		

Performance Analysis and Lessons Learned

AAFC contributed to the profitability of the sector through advances in scientific knowledge to accelerate the pace of innovation, develop new technologies, and transform commodities into value-added products that address current and emerging issues. The Department, in collaboration with the private sector, encouraged industry innovation and investment in scientific research and development, accelerating the pace of bringing new products, practices and processes to market. This work provided new economic opportunities for farmers, agri-businesses and Canadian communities.

The many ways in which AAFC science is working on behalf of farmers, processors and consumers at home and abroad are described online[XVII]. Under *Growing Forward*, AAFC continued research on several fronts, with much of the work taking place through the Canadian Agri-Science Clusters Initiative[XVIII]. Under the Initiative, 10 commodity-based agri-science clusters worked on research priorities identified by industry that were national in scope. For example, AAFC scientists working under the Beef Cattle Industry Science Cluster, at Lacombe, Alberta, with collaborators at Alberta Agriculture, identified strategies to maximize forage nutrient yield and minimize daily winter-feeding costs. Preliminary results suggest that by adopting these new strategies, total winter-feeding costs can be reduced by between 27 to 45% compared to traditional methods. This has significant implications for Canada's beef industry, as reducing total winter-feeding costs by as little as 1% would save Canada's cow-calf sector $6 million annually. The agri-science clusters also have the mandate and capacity to address cross-cutting issues that are of interest to more than one commodity.

Additional work took place on 36 industry-led projects under the Developing Innovative Agri-Products (DIAP) initiative [XIX].

Sub-Program 3.1.1 Science Supporting Agricultural Innovation

Description

This program focuses on fundamental research and development in support of industry capacity to capture new business opportunities in emerging differentiated product markets for food, feed, fibre, health and wellness products, energy, and industrial ingredients to support agriculture, agri-food and agri-based products sector transformation strategies. The program is designed to create new knowledge, ideas, processes, products, and services and work systematically to accelerate the flow of science and technology results into the innovation continuum.

Financial Resources ($ millions – net)

Planned Spending 2012–13	Actual Spending 2012–13	Difference 2012–13
147.0	164.6	17.5

Difference in financial resources is largely due to a realignment among Programs.

Human Resources (Full-Time Equivalents – FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
1,411	1,425	14

Performance Results

Expected Result	Performance Indicators	Targets	Actual Results
Increased adoption of innovative agri-based products and technologies	Percentage of wheat and barley acres seeded to AAFC varieties	50% by March 31, 2013	75.6% acres seeded to AAFC wheat varieties. 43.6% acres seeded to AAFC barley varieties. Results have been calculated by AAFC based on 2011 Canadian Wheat Board Survey data.
	Number of technology transfer vehicles used	25 by March 31, 2013	3 technology licenses and 34 variety licenses

Performance Analysis and Lessons Learned

As an example of science supporting agricultural innovation, under the Developing Innovative Agri-Products program, AAFC researchers have developed a new spring wheat line, AW625. This line is expected to be registered as cultivar *Scotia* for feed purposes in Atlantic Canada, Quebec and Ontario. Field trials showed *Scotia* is the highest yielding line or among the highest yielding lines in all three regions. Most notably, its resistance to Fusarium, a fungal toxin affecting wheat and barley, is better than other available lines. This resistance, combined with acceptable milling and baking quality, and high yield, makes this new wheat line attractive to spring wheat producers in these regions of eastern Canada which has experienced three straight years of severe damage to crops from Fusarium head blight.

A recent AAFC study on the hygienic consequences of lower sodium contents in cheese manufacturing has been completed. Results have been communicated to the dairy sector and will help assure compliance to the Health Canada targets for sodium reduction in processed foods.

Sub-Program 3.1.2 Canadian Agricultural Adaptation

Description

The objective of the Canadian Agricultural Adaptation program (CAAP) is to facilitate the agriculture, agri-food and agri-based products sector's ability to seize opportunities, to respond to new and emerging issues, and to pathfind and pilot solutions to new and ongoing issues to help it adapt and remain competitive. There are two types of delivery mechanisms: industry councils in each province and territory fund projects in their region; the Adaptation Division of AAFC funds projects that are national in scope. Industry councils can also act collectively by undertaking multi-regional projects (collective outcomes). Target clients are: individuals, not-for-profit organizations and associations; cooperatives; marketing boards; aboriginal groups; and for-profit companies.

Financial Resources ($ millions – net)

Planned Spending 2012–13	Actual Spending 2012–13	Difference 2012–13
31.4	29.6	(1.8)

Human Resources (Full-Time Equivalents – FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
20	17	(3)

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Industry implements strategies to respond to emerging issues and opportunities	Number of strategies to respond to emerging issues developed and implemented by industry	306 in total by March 31, 2014	78 to date
Adoption of innovative, value-added products, processes, technologies by the sector	Number of innovative, value-added products, processes and technologies adopted by the sector	104 in total by March 31, 2014	47 to date

Performance Analysis and Lessons Learned

Progress is being achieved toward the targets for the Canadian Agricultural Adaptation program. Although only a limited number of projects have been completed by the end of this reporting period, it takes time for the results of projects to be adopted or implemented by the sector. An

analysis of the results of the predecessor program, Advancing Canadian Agricultural Adaptation Fund showed that for the projects for which AAFC was able to reach sector respondents, 60% had implemented the strategies developed during the projects.

One example of a successful project under CAAP is the Improving on Farm Field Record System project by the Canadian Horticultural Council of Canada. The objective of this project was to determine the feasibility and cost of improving field-level farm records through the integration of data gathered through global positioning system (GPS) technology.

The capability to generate field data for crop production using GPS has been available to potato producers for quite some time. This ability allows data for field operations such as seeding, spraying, tillage, and harvesting to be stored as a record of the field management operations conducted. Prior to this project, the field generated data could not be used directly with farm financial management software. The outcome of this project was the commercial release of a farm management software capable of accepting downloaded GPS data that allows potato producers to make better informed farm management decisions.

Sub-Program 3.1.3 Agri-Innovations

Description

The program is designed to accelerate industry-led innovation activities leading to the development and commercialization of new products, practices and processes by supporting the required academia, industry and government foresight and applied science, technology and development activities. The program initiatives are designed to work systematically along the three phases of the innovation continuum – Discovery Phase: the creation of new knowledge and ideas; Pre-commercialization Phase: the further development of ideas into new technologies to address challenges and opportunities; and Commercialization, Adoption and Marketing Phase: the realization of economic and social benefits from the technologies that generate new practices, products and processes.

Financial Resources ($ millions – net)

Planned Spending 2012–13	Actual Spending 2012–13	Difference 2012–13
84.8	94.9	10.1

Difference in financial resources is largely due to a realignment among Programs.

Human Resources (Full-Time Equivalents – FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
85	89	4

Performance Results

Expected Result	Performance Indicator	Target	Actual Result
Accelerated pace of innovation and new technologies adopted	Number of applied agri-science research and development projects	Over 30 multi-year projects are funded by March 31, 2013	103

Performance Analysis and Lessons Learned

The target for the Agri-Innovations program has been exceeded. As a result of its success, and given how well it was received by the sector, additional funding was reallocated from other sources to solicit additional proposals from the industry.

An example of success of this program is found in the nursery industry, where producers currently irrigate their container crops based on visual inspection of the plant and growing substrate. This commonly results in overwatering, which is not only wasteful of water but encourages disease and has detrimental effects on a plant's growth and overall health. A scientist from the Ornamental Horticultural Cluster has developed a new technology, based on the principal of *water-on-demand*, to reduce water consumption in nursery production by more than 50% without compromising the plant's growth. This new technology has already created a buzz in the industry which is eagerly anticipating it becoming commercially available.

Another example of success relates to the maple syrup industry. The inspection of maple syrup is very important to protect this market from adulteration with other sugars. The inspection is currently done manually, representing significant costs for this industry. After five years in development, the Centre de recherche, de développement et de transfert technologique acéricole Inc (Centre ACER) has developed a reliable, state-of-the-art tool to guarantee the quality and authenticity of maple syrup during the grading process. The SpectreAcer uses optical spectroscopy to analyze a sample of maple syrup and determine if sugar has been added to the syrup or if there are taste defects in the batch. The SpectreAcer is the first of its kind in the world and is expected to be implemented in field operations by inspectors in fall 2013.

Sub-Program 3.1.4 ecoAgriculture Biofuels Capital Initiative

Description

The objective of this program is to provide opportunities for agricultural producers to participate in the renewable transportation fuel production industry while contributing towards the achievement of the Government of Canada's target of 5% renewable content in Canadian transportation fuels. Eligible applicants include: co-operatives, corporations and individuals, as well as limited or other partnerships. The program administers conditional repayable contributions towards the building and expanding of renewable fuels facilities that are subject to a cap of 25% of eligible project costs or $25 million per project, whichever is less. Proposed projects must have equity investments from agricultural producers equal to 5% or more of the eligible project costs.

Financial Resources ($ millions – net)

Planned Spending 2012–13	Actual Spending 2012–13	Difference 2012–13
49.8	8.3	(41.5)

Actual Spending is less than Planned Spending primarily due to factors affecting the ecoAgriculture Biofuels Capital Initiative such as high prices for grains, biofuel regulations being implemented later than anticipated in Canada and in general low economic and environmental benefits for first generation biofuels (e.g., ethanol) and as a result no new applications were received during the fiscal year.

Human Resources (Full-Time Equivalents – FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
15	4	(11)

Actual FTEs are lower than Planned primarily due to recent savings initiatives undertaken by the Government. The Department is progressing on reducing the number of FTEs in accordance with the targets established over a two-year period. Planned FTEs did not reflect these factors due to timing of the preparation of the Report on Plans and Priorities.

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Increase in investment by agricultural producers in new biofuels production	Investment by agricultural producers in new biofuels production over the life of the program	$60 million over the life of the program by March 31, 2013	$54.3 million
Increase in number of new biofuels facilities with farmer investment	Number of new biofuels facilities with farmer investment	9 by March 31, 2013	8

Performance Analysis and Lessons Learned

Overall, this program has almost met its targets. As of March 31, 2013, there were eight new biofuels facilities with farmer investment. The target for farmer investment was nearly met. A total of 593 farmers invested in facilities. Six of the facilities produce ethanol from corn or wheat, while two produce biodiesel from recycled vegetable oil or animal fat. Total volumes of biofuels expected to be produced exceed 700 million litres annually.

No new applications were received during this last year for the program. This is due to many factors, including high prices for grains and biofuel regulations being implemented later than anticipated in Canada, and the fact that many farmers prefer to invest in their own operations.

Sub-Program 3.1.5 AgriFlexibility – Science Addressing Market Opportunities and Challenges

Description

AgriFlexibility seeks to assist the agricultural sector to adapt to pressures and improve its competitiveness by funding non-business risk-management measures that will reduce costs of production, improve environmental sustainability, promote innovation, and respond to market challenges. AgriFlexibility funding is delivered to applicants either directly by AAFC or by provinces and territories or industry groups who have presented successful proposals to AAFC for a specific purpose to a targeted clientele.

AgriFlexibility – Science Addressing Market Opportunities and Challenges provides funding to develop scientific knowledge or new technology to: transform commodities into new value-added or bioeconomy market opportunities; enable the production of new products; respond to a market challenge; or to improve product quality for activities and recipients not eligible under other AAFC programming.

Financial Resources ($ millions – net)

Planned Spending 2012–13	Actual Spending 2012–13	Difference 2012–13
11.5	2.5	(9.0)

Difference in financial resources is largely due to a realignment among AgriFlexibility Programs. In addition, actual spending was less than authorized due to timing of implementation for multi-year projects under the AgriFlexibility program.

Human Resources (Full-Time Equivalents – FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
0	0	0

FTEs in support of this sub-program are shared and are reported under other sub-programs.

Performance Results

Expected Result	Performance Indicator	Target	Actual Result
Maintain or increase value-chain innovation and adaptation; producers or partners exploit existing and develop new opportunities	Number of innovations developed	112 by March 31, 2014	92

Performance Analysis and Lessons Learned

This program is on track to meet its target. A total of five provincial proposals were funded, which included identification of the economic and environmental benefits of crops to serve as platforms for the development of a provincial bioeconomy (for example growing perennial biomass), the development of rapid wheat DNA testing to meet the needs of the industry, the establishment of a provincial research council addressing multiple research priorities in partnership with the industry, and support to two research centres to develop new products.

One example of a very successful project is the Canada-Manitoba Food Development Centre. This research and product development centre, developed with AgriFlexibility financial assistance, offers equipment, expertise and industry links to entrepreneurs with ideas for new products. Numerous innovative food products have been created since the centre opened, including new gluten-free cookies.

Sub-Program 3.1.6 AgriFlexibility – Agri-Based Processing

Description

AgriFlexibility seeks to assist the agricultural sector to adapt to pressures and improve its competitiveness by funding non-business risk-management measures that will reduce costs of production, improve environmental sustainability, promote innovation, and respond to market challenges. AgriFlexibility funding is delivered to applicants either directly by AAFC or by provinces and territories or industry groups who have presented successful proposals to AAFC for a specific purpose to a targeted clientele.

The objective of the AgriProcessing Initiative is to increase the competitiveness of the Canadian agri-processing sector by enabling the adoption of new technology and processes and the introduction of new products. This is achieved by providing repayable contributions towards the purchase and installation of new-to-company equipment and machinery.

Financial Resources ($ millions – net)

Planned Spending 2012–13	Actual Spending 2012–13	Difference 2012–13
14.8	3.2	(11.6)

Difference in financial resources is largely due to a realignment among AgriFlexibility Programs. In addition, actual spending was less than authorized due to timing of implementation for multi-year projects under the AgriFlexibility program.

Human Resources (Full-Time Equivalents – FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
5	3	(2)

Performance Results

Expected Result	Performance Indicator	Target	Actual Result
Increase in the number of agri-processing facilities adopting new technologies and processes	Number of agri-processing facilities adopting new technologies and processes	35 over the life of the program (2009-14) by March 1, 2014	45

Performance Analysis and Lessons Learned

The target for the Agri-Flexibility – Agri-Based Processing program has been exceeded. Funded projects are on average less costly than forecasted at the time the target was set. A total of 13 projects entered the repayment phase in 2012-13. With the 21 projects that were in the repayment phase at the end of 2011-12, there are now 34 projects in repayment out of the 45 projects that were completed. During 2012-13, there was a total of $2.1 million repaid.

One example of a success story is Fresh Hemp Foods Ltd. This firm received $410,000 for the installation of de-hulling, oil pressing and packaging equipment in its 20,000 square-foot facility. The new equipment is increasing production capacity, allowing the firm to respond to incremental market opportunities in Canada and the U.S., as well as to pursue off-shore markets in Europe, Japan and Australia.

Program 3.2 Agri-Business Development

Description

The Agri-Business Development program builds awareness of the benefits and encourages the use of sound business-management practices, while also enabling businesses in the sector to be profitable and invest where needed to manage the natural resource base sustainably and to market and produce safe food and other products. The program funds provincial and territorial activities related to business management practices and skills that: strengthen the capacity of businesses in the sector to assess the financial implications of business improvements, including the impact of environmental plans, food safety systems and innovation projects on their business profitability; manage transformation, respond to change and adopt innovation in business operations; help agri-business owners understand their financial situations, implement effective actions and business management plans and practices; and provide for enhanced participation by young or new entrants, First Nations clients, and clients in specific sub-sectors in transition.

Financial Resources ($ millions – net)

Total Budgetary Expenditures (Main Estimates) 2012–13	Planned Spending 2012–13	Total Authorities (available for use) 2012–13	Actual Spending (authorities used) 2012–13	Difference 2012–13 (Planned vs. Actual Spending)
51.1	56.0	88.7	69.5	13.6

Difference in authorities versus actual spending is due in part to projects not proceeding as planned under the Specified Risk Material Innovation program.

Human Resources (Full-Time Equivalents – FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
41	32	(9)

Actual FTEs are lower than Planned primarily due to recent savings initiatives undertaken by the Government. The Department is progressing on reducing the number of FTEs in accordance with the targets established over a two-year period. Planned FTEs did not reflect these factors due to timing of the preparation of the Report on Plans and Priorities.

Performance Results

Expected Result	Performance Indicator	Target	Actual Result
Increased realization of business goals	Percentage of participating businesses in Agri-Business Development program activities meeting their business and career goals	55% by March 31, 2013	80% of respondents to a 2012 Client Impact Assessment survey reported progress toward their business goals (Further, the National Renewal Survey of 2012 shows significantly more Business Development program participants believe they have achieved their short-term goals (60%) as compared to non-participants (53%); significantly more program participants (54%) compared to non-participants (43%) reported progress towards long-term goals.

Performance Analysis and Lessons Learned

Agri-Business Development initiatives contributed to an innovative agriculture, agri-food and agri-based products sector. This, in turn, strengthened economic growth, while improving stewardship and food safety, and expanding the availability of agri-based products for

Canadians. As a result of work in this area, sector participants were better positioned to manage change, resulting in increased profits, sustainability and competitiveness.

Results of the National Renewal Survey[XX] (2,259 producers) suggested overall positive change in the area of farm business management as a result of the Department's agri-business development intiatives. The survey indicated 87% of respondents used performance measures to track operation improvements; 83% had financial accounting systems to assist with management decisions; 77% determined the costs of production for their commodities; 64% calculated financial ratios; and 58% set performance goals. Furthermore, the majority of producers felt they have achieved or made progress towards their business goals; only less than 10% said they had not.

Sub-Program 3.2.1 Farm Debt Mediation Service

Description

The Farm Debt Mediation Service provides an alternative for resolving insolvency disputes in the courts. A financial consultant conducts a financial review of the operation and prepares a recovery plan. Professional mediators help the farmer and his or her creditors to reach a mutually satisfactory financial arrangement. A stay of proceedings may be put in place to protect the farmer against recovery or seizure of assets. To be eligible, clients must be insolvent individuals, corporations, partnerships, co-operatives or other associations of persons engaged in farming for commercial purposes.

Financial Resources ($ millions – net)

Planned Spending 2012–13	Actual Spending 2012–13	Difference 2012–13
2.8	3.4	0.6

Human Resources (Full-Time Equivalents – FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
18	19	1

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Increased agreement between insolvent farmers and their creditors on financial recovery measures	Percentage of completed applications that result in signed arrangements between farmers and creditors	82% by March 31, 2013	73%

Increased implementation of financial recovery measures by insolvent farmers	Percentage of survey respondents who indicate that they have adopted new strategies to improve their financial situation	50% by March 31, 2013	Most common actions include: debt restructuring (50%), exit arrangement (25%) and asset disposal (14%). A review of the Farm Debt Mediation Service is conducted every 3 years as required by legislation. The 2010 survey, which was part of the review, indicated 52% of creditors expect 65% of total debt to be repaid and 100% estimate that at least 25% of debt will be repaid.

Performance Analysis and Lessons Learned

The Farm Debt Mediation Services (FDMS) provides the use of financial consultants to help develop recovery plans and mediation services for farmers who are having difficulties meeting their financial obligations. It is a free and voluntary service for both producers and for creditors. In 2012-13, there were 305 completed FDMS applications; of these, 223 or 73% resulted in signed arrangements between producers and their creditors.

Sub-Program 3.2.2 Business Development

Description

Business Development provides support for provincial and territorial activities and to national organizations to increase the use of sound business management practices by producers and agri-businesses to enable businesses to be profitable. Eligible programs and initiatives equip producers and agri-businesses with the skills, knowledge and expertise needed to understand their businesses' financial situations, assess opportunities, respond to change, and realize business goals. It also enables agri-businesses to be profitable and invest where needed to manage the natural resource base sustainably and produce and market safe food and other products.

Financial Resources ($ millions – net)

Planned Spending 2012–13	Actual Spending 2012–13	Difference 2012–13
31.5	38.6	7.1

Difference in financial resources is largely due to a realignment among Programs.

Human Resources (Full-Time Equivalents – FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
12	12	0

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Improved business management knowledge and skills	Percentage of participating businesses improving their business management knowledge and skills	70% by March 31, 2013	76% of respondents to the 2012 Client Impact Assessment survey
Increased adoption of beneficial management practices	Percentage of participating businesses adopting beneficial management practices (compared to non-participants)	60% by March 31, 2013	84% of Business Development program participants who responded to the National Renewal Survey in 2012 report adopting beneficial management practices, compared to 52% of non-participants

Performance Analysis and Lessons Learned

To ensure programs respond to regional priorities, AAFC provided provinces and territories support for the design and delivery of Business Development programs. The Client Impact Assessment Survey indicated that producer participation in Business Development programs has led to better business practices, with 84% of participating respondents indicating that they have adopted beneficial management practices. This compares to just 52% of non-participants who reported adopting better practices. Results also showed 76% of participating respondents improved business management knowledge and skills; 77% increased their use of a variety of business management practices, such as business strategies and action plans, and 40% made progress towards meeting business goals, such as increasing net farm income.

Under Business Development, AAFC also provided support to five national organizations to enhance the skills, tools and knowledge of youth, young and established producers and farm family members. The activities, conducted by these national organizations under the Business Development initiative, support and complement the FPT cost-shared Business Development programs and initiatives designed and developed by the provinces and territories.

Farm Management Canada (previously, Canadian Farm Business Management Council) is a national organization funded under this initiative. Results of the 2012 National Renewal Survey show that 15% of producers have used its resources, tools and information in the past five years. Furthermore, results show that significantly more producers with $250,000 plus in gross farm

sales have used Farm Management Canada's resources, particularly producers with more than $1 million in gross farm sales.

Sub-Program 3.2.3 Slaughter Improvement

Description

The national, applications-based program provides red-meat packers and processors with repayable federal contributions to implement sound business plans for projects aimed at improving the operations of federally inspected packing plants. The program aims to allow industry stakeholders to strengthen their competitiveness by supporting new investments that could support profitability for red-meat packers. These new investments focus on reducing operating costs, increasing revenues, adopting innovation to meet future business conditions and consumer expectations, and addressing slaughter capacity gaps in regions where it can be demonstrated that this factor is constraining sector growth.

Financial Resources ($ millions – net)

Planned Spending 2012–13	Actual Spending 2012–13	Difference 2012–13
-	0.2	0.2

Human Resources (Full-Time Equivalents – FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
5	0	(5)

Actual FTEs are lower than Planned primarily due to recent savings initiatives undertaken by the Government. The Department is progressing on reducing the number of FTEs in accordance with the targets established over a two-year period. Planned FTEs did not reflect these factors due to timing of the preparation of the Report on Plans and Priorities.

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Investments in operational performance among red-meat packers and processors	Amount of program funds invested by red-meat packers and processors in operational improvements (as documented in their business plans) Note: $10 million is for cattle-packing processing post Budget 2010	$56 million ($46 million for red meat plus $10 million for cattle packers and processors) by March 31, 2014	$48.19 million was disbursed to the end of the reporting period ($39.88 million for red-meat facilities and $8.31 million for cattle-packing and processing facilities)

Improved operational performance among red-meat packers and processors	Percentage of recipients that increase their operational performance	85% by March 31, 2015	Results cannot be assessed until all recipients report on operational performance due in February 2014
Improved financial performance among red-meat packers and processors	% of recipients that increase their financial performance	85% by March 31, 2015	Results cannot be assessed until all recipients report on financial performance due in October 2014

Performance Analysis and Lessons Learned

The Slaughter Improvement Program provided repayable federal contributions to 21 projects to support private-sector investments aimed at reducing costs, increasing revenues and improving meat slaughter and processing operations.

Sub-Program 3.2.4 AgriFlexibility – Profitability Improvement

Description

AgriFlexibility seeks to assist the agricultural sector to adapt to pressures and improve its competitiveness by funding non-business risk-management measures that will reduce costs of production, improve environmental sustainability, promote innovation, and respond to market challenges. AgriFlexibility funding is delivered to applicants either directly by AAFC or by provinces and territories or industry groups who have presented successful proposals to AAFC for a specific purpose to a targeted clientele.

The Profitability Improvement component of AgriFlexibility provides funding to develop tools and systems that enhance producers' access to agronomic, commodity or market information that will improve business and farm management. AgriFlexibility – Profitability Improvement provides funding for activities, recipients, projects, and initiatives that are not eligible under AAFC's *Growing Forward* programming to reduce costs of production, increase operational productivity and improve product quality.

Financial Resources ($ millions – net)

Planned Spending 2012–13	Actual Spending 2012–13	Difference 2012–13
1.9	18.4	16.5

Difference in financial resources is largely due to a realignment among AgriFlexibility Programs as there was higher industry uptake than anticipated under this sub-program.

Human Resources (Full-Time Equivalents – FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
0	0	0

FTEs in support of this sub-program are shared and are reported under other sub-programs.

Performance Results

Expected Result	Performance Indicators	Targets	Actual Results
Producers, partners or industry implement actions to reduce their costs of production	Number of initiatives positively impacting profitability and competitiveness	8 by March 31, 2014	18
	Number of initiatives addressing regulatory change	2	1

Performance Analysis and Lessons Learned

There was high level of interest from the provinces and the industry for this program. A total of 18 different initiatives presented in 11 proposals received funding. Types of projects covered a broad range of issues and opportunities such as developing a web-based tool to provide real-time agronomic information to canola growers, addressing the inefficiencies of rail-based shipment of pulses, enhancing information technology systems to provide carcass grade information on individual animals to producers for incorporation in farm management decision, supporting research into organic production, developing sector value chains, and offering producers assistance to improve their profitability and modernize their operations.

Also under this program, the Meat Hygiene Pilot Project resulted in 13 pilots across Canada addressing the regulatory requirements to be eligible to sell meat across provincial borders, with the potential to operate similarly to federally registered establishments.

An example of a success story is the Grow Canola project by the Canola Council of Canada. In 2012-13, a comprehensive Wikipedia-style Canola Encyclopedia was launched and is providing growers with science-based agronomic information in 10 subject areas, such as crop establishment, crop nutrition and fertilizer management. The new Canola Diagnostic Tool was also launched. It is a screening tool that aids in diagnosing issues in the field. These issues are usually multi-layered and not attributable to a single factor, however the tool helps growers arrive at a short list of possible causes. Further consultation with an agronomist or lab analysis helps confirm a diagnosis.

Sub-Program 3.2.5 Cattle Slaughter Industry Assistance

Description

Cattle Slaughter Industry Assistance helps Canadian slaughterhouses become more competitive through two components: Abattoir Competitiveness provides grants to slaughterhouses to maintain critical domestic slaughter capacity for Canadian over-30-months-old cattle while the industry works to better manage the regulatory and cost differentials with the U.S.; Slaughter Waste Innovation provides contributions to slaughterhouses and stand-alone businesses handling Specified Risk Material (SRM) to support research, development, commercialization or adoption of innovative technologies and processes related to the removal, disposal or use of SRM to reduce handling costs and/or to create potential revenue sources from SRM.

Financial Resources ($ millions – net)

Planned Spending 2012–13	Actual Spending 2012–13	Difference 2012–13
14.9	5.1	(9.8)

Actual Spending is less than planned due to projects not proceeding as planned under the Specified Risk Material Innovation program.

Human Resources (Full-Time Equivalents – FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
6	1	(5)

Actual FTEs are lower than Planned primarily due to recent savings initiatives undertaken by the government. The Department is progressing on reducing the number of FTEs in accordance with the targets established over a two-year period. Planned FTEs did not reflect these factors due to timing of the preparation of the Report on Plans and Priorities.

Performance Results

Expected Result	Performance Indicator	Target	Actual Result
Canadian OTM (over 30 months old) slaughter capacity maintained	Percentage of Canadian OTM cattle slaughtered in Canada	75% by March 31, 2013	71%

Performance Analysis and Lessons Learned

This program almost met its target of maintaining slaughter capacity for OTM cattle. The reason for the lower-than-expected percentage of Canadian OTM cattle slaughtered in Canada is that a large abattoir closed down in 2012. Some of the animals that would have been slaughtered in that

facility were consequently exported to the U.S. Reductions in Canadian slaughter of OTM animals are also due to a decrease in Canadian cattle-herd inventory.

The Abattoir Competitiveness component of this program offered short-term assistance while the industry was developing longer-term solutions under the Slaughter Waste Innovation Program. The Abattoir Competitiveness component was completed in 2011-12. Under the Slaughter Waste Innovation component, there were six funded projects which represented contributions of approximately $24 million. Three of the funded projects represented capital investments in infrastructure to adopt technologies that process SRM, while the other three involved research and development on technologies to treat SRM. The results of these projects will help the industry while the industry works to better manage the regulatory and cost differentials with the U.S.

One example of such a project was undertaken by Cargill Meat Solutions. The project involved the purchase and installation of new equipment designed to safely dispose of SRM, landfill trash and compost material to produce energy in the form of steam and electricity for the company's facility located in High River, Alberta. The project is also expected to generate annual savings for the company through reduced costs for handling and disposal of SRM materials, and savings from electricity and natural gas reduction. Specifically, the process is also expected to reduce approximately 60% of the plant's steam load, currently produced using natural gas, and 15% of the plant's electrical load.

Sub Program 3.2.6 Churchill Port Utilisation*

Description

The program provides grant payments to legal entities, including the new voluntary Canadian Wheat Board (CWB), that arrange for the shipment of grain, outward, by ocean-going vessel, from the Port of Churchill. As the CWB used the Churchill port regularly, this program will facilitate the transition to a new marketing model as it provides the time needed to establish increased diversification in the Port of Churchill. Assistance under this federally delivered program is up to $4.6 million per year for up to 500,000 tonnes of grain. Total assistance is for up to $23 million. This five-year program ends on March 31, 2017.

Financial Resources ($ millions – net)

Planned Spending 2012–13	Actual Spending 2012–13	Difference 2012–13
4.9	3.8	(1.1)

*This program was not included in the 2012-13 Performance Measurement Framework of record as it was added in-year.

Human Resources (Full-Time Equivalents – FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
0	0	0

FTEs in support of this sub-program are shared and are reported under other sub-programs.

Performance Results

Expected Result	Performance Indicator	Target	Actual Result
Grain shipments through the port are maintained	Number of tonnes of grains shipped Baseline established in 2011 on a historical average from 2005-2010 = 500,000 tonnes	500,000 tonnes by March 31, 2017	432,434 tonnes

Performance Analysis and Lessons Learned

The target of the Churchill Port Utilisation program was almost met. Shipments through the Port were close to the target of 500,000 tonnes. The program helped the Port diversify its clientele base. In addition to the CWB, two other companies shipped grain through the Port in 2012-13 and more have expressed interest to use the Port in the future. Also, while the Port used to ship wheat for the most part, shipments in 2012-13 also included barley and canola.

A survey of program participants was done after the first year of operation to identify potential changes to the program aimed at increasing shipments through the Port in following years. As a result of this survey, fababeans, soybeans and grains products have become eligible products for shipment.

Program 3.3 Rural and Co-operatives Development

Description

Rural and Co-operatives Development supports community development through two distinct components. First, it leads an integrated, government-wide approach, called Canada's Rural Partnership, through which the government aims to coordinate its policies towards the goal of economic and social development and renewal of rural Canada. It develops partnerships with federal departments, provincial and rural stakeholders and offers tools to enable rural communities to use their innovative capacity to capture the value of local amenities, and to achieve greater local or regional economic competitiveness.

Second, it facilitates the development of co-operatives as an effective self-help tool for Canadians and communities to address their needs and capture economic opportunities. It provides advice across government on policies and programs affecting co-operatives and builds partnerships within the federal government and with the co-operative sector, the provinces and other key stakeholders to support the development of co-operatives.

Financial Resources ($ millions – net)

Total Budgetary Expenditures (Main Estimates) 2012–13	Planned Spending 2012–13	Total Authorities (available for use) 2012–13	Actual Spending (authorities used) 2012–13	Difference 2012–13 (Planned vs. Actual Spending)
20.0	20.0	19.7	15.5	(4.6)

There is a decrease in actual spending due to recent savings initiatives undertaken by the Government and the program fulfilling its mandate. As a result, the programming ended March 31, 2013, with the reporting period used only to fulfill existing commitments.

Human Resources (Full-Time Equivalents – FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
88	49	(39)

Actual FTEs are lower than Planned primarily due to recent savings initiatives undertaken by the Government. The Department is progressing on reducing the number of FTEs in accordance with the targets established over a two-year period. Planned FTEs did not reflect these factors due to timing of the preparation of the Report on Plans and Priorities.

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
New economic activities are being developed in rural communities	Number of communities in 20 selected rural regions where decisions or actions are taken to implement new economic activities as a result of Canada's Rural Partnership collaborative activities	30 by March 31, 2013	16*
Canadians are better able to utilize the co-operative model to meet their economic and social needs	Number of co-operatives created	40 (for the year) by March 31, 2013	116*

* As the development programs were sunsetted early, the results indicate total since 2009.

Performance Analysis and Lessons Learned

By providing rural communities and co-operatives with access to quality information, tools and services, Canadians were supported in pursuing innovative rural and co-operative development. This helped generate opportunities for innovation and economic growth that supported the prosperity of all Canadians.

An evaluation of Rural and Co-operatives Development programming found that it has contributed to several achievements including: a horizontal approach to rural issues; assistance to rural and northern regions to improve competitiveness; and knowledge building.

Sub Program 3.3.1 Rural Development

Description

Rural development is a grassroots approach aimed at rural, remote and northern citizens, encouraging them to work together and make informed decisions to enhance the human, social, economic, cultural, and environmental conditions of their community. The goal of rural development is to achieve long-term viability of a community through building synergies within government and among rural stakeholders. Canada's Rural Partnership invests in multi-sectorial initiatives and stimulates collaborative approaches to enhance the competitiveness and growth of rural regions; it focuses on increased collaboration among stakeholder and increased capacity of community partners that support rural development to maximize benefit from government investments. It aims at fostering the innovative capacity of communities to use untapped potential and derive new value from rural amenities.

Financial Resources ($ millions – net)

Planned Spending 2012–13	Actual Spending 2012–13	Difference 2012–13
14.8	11.4	(3.4)

Human Resources (Full-Time Equivalents – FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
80	46	(34)

Actual FTEs are lower than Planned primarily due recent savings initiatives undertaken by the Government. The Department is progressing on reducing the number of FTEs in accordance with the targets established over a two-year period. Planned FTEs did not reflect these factors due to timing of the preparation of the Report on Plans and Priorities.

Performance Results

Expected Result	Performance Indicator	Target	Actual Result
Rural communities and regions are using information and tools to develop local amenities and other assets	Number of communities that identified and assessed their local natural and cultural amenities	50 (for the year) by March 31, 2013	79*

* As the development programs were sunsetted early, the results indicate total since 2009.

Performance Analysis and Lessons Learned

In the reporting period, the Community Development Program and Building Rural and Northern Partnerships contribution programs, having achieved their goals, were ended. As part of AAFC's consolidation and transformation efforts, AAFC's work in this area has been refocused on the original objectives of policy and research.

Sub Program 3.3.2 Co-operatives Development

Description

Co-operatives are jointly-owned enterprises formed by people coming together to address their common needs and respond to their everyday challenges. They empower individuals and encourage economically and socially stronger communities by helping people to pool their resources to effectively minimize risks and achieve common objectives. The Co-operatives Development Initiative contribution program builds on a partnership with the co-op sector to enhance the capacity to support the development of co-operatives, thus enabling them to provide greater economic benefits to Canadians.

Financial Resources ($ millions – net)

Planned Spending 2012–13	Actual Spending 2012–13	Difference 2012–13
5.3	4.1	(1.2)

Human Resources (Full-Time Equivalents – FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
8	3	(5)

Performance Results

Expected Result	Performance Indicator	Target	Actual Result
Innovative co-operative projects are implemented	Number of innovative co-operative development projects implemented by community partners	25 (for the year) by March 31, 2013	180*

* As the development programs were sunsetted early, the results indicate total since 2009.

Performance Analysis and Lessons Learned

In the reporting period, the Co-operatives Development Initiative contribution program, having achieved its goals, was ended. As part of AAFC's consolidation and transformation efforts, AAFC's work in this area was refocused. During the reporting period, AAFC was the Government of Canada's focal point for the United Nations International Year of Co-operatives and coordinated Canada's participation in related events.

Program 3.4 Canadian Pari-Mutuel Agency

Description

Section 204 of the *Criminal Code of Canada* designates the Minister of Agriculture and Agri-Food as the individual responsible for the policy and regulatory functions pertaining to pari-mutuel wagering on horse races. The Canadian Pari-Mutuel Agency (CPMA) is a special operating agency within AAFC that regulates and supervises pari-mutuel betting on horse racing at racetracks across Canada, with the objective of ensuring that pari-mutuel betting is conducted in a way that is fair to the betting public. Costs associated with the activities of the CPMA are recovered through a levy on every dollar bet on horse races in Canada. The levy is currently set at eight-tenths of a cent of every dollar bet. CPMA's strategic plans are focused on regulating and supervising pari-mutuel wagering on horse races in the most modern, effective and transparent manner.

Financial Resources ($ millions – net)

	Total Budgetary Expenditures (Main Estimates) 2012-13	Planned Spending 2012-13	Total Authorities (available for use) 2012-13	Actual Spending (authorities used) 2012-13	Difference 2012–13 (Planned vs. Actual Spending)
Gross	10.7	10.7	14.9	9.5	(1.2)
Less: Respendable Revenue	10.7	10.7	10.7	10.7	(0.0)
Net	(0.0)	(0.0)	4.1	(1.2)	(1.2)

Human Resources (Full-Time Equivalents – FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
50	43	(7)

Performance Results

Expected Result	Performance Indicator	Target	Actual Result
Pari-mutuel betting is conducted in a way that is fair to the Canadian betting public	Percentage of compliance with the Pari-Mutuel Betting Supervision Regulations of Canadian racetracks and betting theatres inspected by CPMA officers	100% by March 31, 2013	100% compliance There are no outstanding issues of regulatory non-compliance for any pari-mutuel operator licensed by the CPMA

Performance Analysis and Lessons Learned

The CPMA helped ensure pari-mutuel betting activities conducted at racetracks and betting theatres across Canada complied with the *Pari-Mutuel Betting Supervision Regulations* and policies. The Agency continued to provide equine drug control programs at racetracks so race outcomes were not influenced by the inappropriate administration of drugs or medications to race horses.

The federal levy on pari-mutuel betting supported a CPMA operating budget of approximately $10.7 million for 2012-13.

Program 4.1 Internal Services

Description

The Internal Services Program supports all strategic outcomes and is common across government. Internal Services are groups of related activities and resources that are administered to support the needs of programs and other corporate obligations of an organization. These groups are: Management and Oversight Services; Communications Services; Legal Services; Human Resources Management Services; Financial Management Services; Information Management Services; Information Technology Services; Real Property Services; Materiel Services; Acquisition Services; and Travel and Other Administrative Services. Internal Services include only those activities and resources that apply across an organization and not to those provided specifically to a program.

Financial Resources ($ millions – net)

Total Budgetary Expenditures (Main Estimates) 2012–13	Planned Spending 2012–13	Total Authorities (available for use) 2012–13	Actual Spending (authorities used) 2012–13	Difference 2012–13
280.7	302.8	341.3	327.4	24.6

Difference in financial resources is largely due to a realignment of resources among Programs. In comparison with 2011-12, actual spending for the Internal Services program is decreasing ($347.7 million spending in 2011-12).

Human Resources (Full-Time Equivalents – FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
2,117	1,910	(207)

Actual FTEs are lower than Planned primarily due to recent savings initiatives undertaken by the Government. The Department is progressing on reducing the number of FTEs in accordance with the targets established over a two-year period. Planned FTEs did not reflect these factors due to timing of the preparation of the Report on Plans and Priorities.

Performance Results

Programs and Services Management
Planning Highlights: AAFC will continue to improve the way Grants and Contributions (G&C) programs are delivered to Canadians by reducing the administrative burden and, at the same time, strengthening accountability. To achieve these goals, the Department recently established the Grants and Contributions Delivery Project (GCDP). Specifically, GCDP is aimed at: • simplifying non-BRM G&C programs; • providing easy access for clients; • using consistent forms and processes, resulting in increased efficiency and accuracy; and • reducing turnaround time and paper burden for clients through automation. This service improvement initiative will transform the way the Department delivers G&C programs to Canadians. Clients will be able to apply, manage and submit claims and reports online. Further, AAFC will develop the capacity to expedite the launch of a new program following its announcement, where early implementation is required to address the needs of producers. This will significantly reduce the time it has taken historically to implement new non-BRM G&C programs. The benefits of the service improvement initiative will be measured using service standards, client satisfaction surveys and other feedback technology accessible to stakeholders.
Performance Analysis and Lessons Learned: Working with the Treasury Board Secretariat, and through an independent review, AAFC successfully repositioned its GCDP solution. As a result: • the Department supported the recommendation to replace the current technology solution, adopting a more robust, flexible and agile approach for the long-term support of G&C program delivery; • project resources were refocused on a staged-implementation approach resulting in a more focused

interim solution that supported GF2 programming by the end of 2012-13, to be followed by full system onboarding in 2013-14, as the project ends and transitions to its operational state.

In parallel, efforts to streamline and simplify the standard application form were also made, and resulted in considerable improvements in usability and form function. Usability efforts will continue in 2013-14. By March 2013, a new release of the system was successfully deployed into production. This release includes the ability to provide early application intake functionality required to support AAFC's immediate program delivery needs for GF2 by the end of 2013-14.

AAFC harmonized program objectives for 28 non-BRM programs into three, simplified program offerings for clients, and reduced administrative burden on clients by streamlining the program application by 50%;

Service standards for non-BRM programs were reduced from 76 individual standards to six common standards. (AAFC's overall service standard compliance rating is 99%.); and

New harmonized GF2 programs were launched, supported through a single 1-800 number managed by a centralized call-centre.

Toll-free 1-800 numbers were reduced by one-third, improving phone-channel service delivery to clients.

Internal Audit and Evaluation

Planning Highlights: AAFC will continue to implement its three-year *Risk-Based Internal Audit Plan* to assess the Department's risk management, control and governance processes. AAFC's *Five-Year Evaluation Plan* will continue to be implemented so that timely, credible and neutral evidence is available to support expenditure-management discussions on resource allocation. Evaluation will be especially important to inform development of the next agricultural policy framework.

Performance Analysis and Lessons Learned:

The following audits and evaluations, aimed at identifying areas for program improvement, were completed:

- Evaluation of Environmental Performance Measurement and Reporting Programs;
- Evaluation of Income Stability Tools (AgriStability and AgriInvest)[XXI];
- Evaluation of AgriInsurance, Private Sector Risk Management Partnerships and Wildlife Compensation Programs[XXII];
- Evaluation of Agri-Environmental Science Programs;
- Evaluation of Rural and Cooperatives Development;
- Evaluation of Water Infrastructure;
- Evaluation of Market and Trade Development Initiative;
- Horizontal Audit of Grants and Contributions II; and
- Audit of Agricultural Disaster Relief Program.

The following audit engagements and evaluations were launched and will be presented in 2013-14:

- Meta-Evaluation of Cost-Shared Non-Business Risk Management (BRM) Programs under GF;
- Evaluation of AAFC's Regulatory Action Plan;
- Departmental Fraud and Wrongdoing Risk Assessment;
- Audit of Information Management Records;
- Audit of AgriInsurance Program;
- Audit of AgriMarketing Program;
- Evaluation of the Canadian Integrated Food Safety Initiative;
- Evaluation of AAFC's Innovation and Adaptation Programming; and
- Evaluation of the *Canadian Agricultural Loans Act* (CALA).

Human Resources (HR) Management

Planning Highlights: HR planning plays an ongoing and important role in AAFC's integrated planning process by identifying the people and skills that will be required to deliver on the Department's priorities and Strategic Outcomes, as well as address the key short- and long-term human resources challenges. Sustained fiscal restraint requires effective workforce planning to ensure that AAFC is able to deliver on its mandate and meet legislated obligations with respect to employment equity and official languages.

Key strategies to achieve the HR goals include:

- Executive Leadership and Governance
  - The Horizontal Management Committee (HMC), which comprises branch heads and is chaired by the Associate Deputy Minister, plays a vital role in coordinating and overseeing departmental people management initiatives, inclusive of workforce planning, management and alignment. HMC will promote well-informed approaches to advancing business and HR priorities while maintaining ongoing responsibility for managing the executive cadre.
- Performance Management and Employee Development
  - Internal performance management and employee development are increasingly important to achieve a flexible and productive workforce aligned to departmental priorities. The extension of talent management to executive feeder groups will support effective succession management in key leadership roles, under the guidance of HMC. AAFC will continue to use effective and low-cost development initiatives such as the AAFC mentoring program and the Management and Leadership Development Program. Finally, the Department's service and program excellence agenda will be supported by targeted training in the areas of grants and contributions and performance measurement.
- Employee Engagement
  - AAFC has initiated a broad consultative process to engage employees on a renewed mission and vision statement and a set of common organizational attributes to which employees can all subscribe. The goal is to help create a positive, collaborative and inclusive corporate culture that reflects the values and aspirations of its employees and the clients that they serve. The Department will further promote employee engagement by acting on the results of the 2011 Public Service Employee Survey and demonstrating a tangible commitment to improving the workplace.

Performance Analysis and Lesson Learned:

AAFC has completed its first Integrated Business and Human Resources Plan, and is tracking progress of its implementation. AAFC has measured progress on planned objectives, and in the context of a sustained period of transformational change and realignment, the department adjusted its efforts to ensure that the department maintains a skilled and engaged workforce while at the same time meeting its legislated requirements and ensuring the uninterrupted delivery of quality services to Canadians.

Specific actions taken to plan and implement the Budget 2012 and overall transformation agenda have included the following:

- training, counselling and ongoing support to impacted employees and their managers (about 2,500 employees enrolled in Workforce Adjustment-related training sessions to address the career transition needs). AAFC also established the new Second Language Evaluation Preparation Program to support affected employees.
- staffing controls, including regular monitoring of staffing plans by HMC to sustain focus on placing impacted personnel within and outside the organization;
- tools for employees and managers, including a *People Bank* and *Alternation Forum*;
- efficient administration and management of Selection of Employees for Retention or Lay-off processes and tracking progress in placing employees; and
- effective and meaningful collaboration with unions at the national, regional and branch levels notably through the National Workforce Adjustment Consultation Committee.

It remains a priority for AAFC to develop these tools which will assist us in identifying capacity gaps in the future and more effectively target our training or recruitment efforts.

To support its learning culture, AAFC launched its Management and Leadership Development Program in 2012. It also conducted the second year of The National Mentoring Program; by January 2013, 111 matches had been made between mentors and associates. Both programs are continuing.

AAFC continued to take steps toward a more structured and accountable approach to employee performance management in 2012-13 through achieving a 93% completion rate for performance documents for all employees, as well as by extending performance ratings to an increased number of senior officials. As a result, the Department is well-positioned to meet government-wide expectations on improving employee performance management.

HMC oversight ensured a coordinated approach to advancing AAFC's business and HR priorities. The Department also promoted its renewed mission and vision statements and its organizational attributes through employee engagement initiatives and advanced its work in response to the 2011 Public Service Employee Survey.

Information Management/Information Technology (IM/IT)

Planning Highlights: AAFC will continue in 2012-13 to improve knowledge and information management, knowledge transfer and preservation of key knowledge assets to enhance innovation, collaboration and evidence-based decision making. This will be achieved through improved access to and sharing of electronic information and support for an increasingly mobile workforce. As a first step, the Department will complete a new modern technology foundation for AAFC that will enhance documents and records management, knowledge sharing and collaborative processes. This will be a key step towards supporting AAFC in the goal of becoming a leading-edge knowledge organization.

Also in the coming year, as activities relating to IT infrastructure management transition to Shared Services Canada, AAFC will focus on enhancing efficiency and business continuity. This will be accomplished through establishing new partnerships, promoting the strategic use of information to deliver client-focused programs and services, and supporting decision-making and productivity through a mature IT governance framework.

As part of the Government of Canada consolidation measures to enhance efficiencies, the Chief Information Officer for AAFC has also taken on additional responsibilities as the Canadian Food Inspection Agency's (CFIA) Vice President for Information Management and Information Technology. It is anticipated that this will reinforce the well-established working relationship between AAFC and CFIA. For example, the financial and human resource management systems as well as the Canadian Agriculture Library are already shared between the two organizations. This arrangement is also in keeping with AAFC's collaborative work with other departments and will lead to efficiencies in government information management and technology.

Performance Analysis and Lessons Learned:

AAFC developed and maintained a record-keeping framework and used modern tools to improve collaboration.

The working relationship between AAFC and CFIA was further reinforced through the establishment of a single technical client service desk and desktop support service for both the Department and the Agency and a joint Executive Management Committee under a single Chief Information Officer.

Greening Government Operations (GGO)

Planning Highlights: The Federal Sustainable Development Strategy (FSDS) includes theme IV (Shrinking the Environmental Footprint - Beginning with Government), which consists of a single goal, Greening Government Operations (GGO). Government-wide targets have been established to achieve this goal. For example, by March 31, 2014, each department will reuse or recycle all surplus electronic and electrical equipment in an environmentally sound and secure manner.

The FSDS targets for GGO are particularly applicable to AAFC, which is a large federal custodian of buildings (2,360), land (940,000 hectares), fleet (1,200 vehicles) and equipment (cost of $260 million) with annual procurement of $250 million. AAFC operates this portfolio to deliver its programs and services, conduct agricultural and agri-food research across Canada, and achieve results for Canadians. AAFC will continue implementation efforts in 2012-13, the second year of the GGO initiative.

Additional details on AAFC's GGO activities can be found online[XXIII].

Performance Analysis and Lessons Learned:

AAFC continued to make good progress in the second year of the first three-year cycle of the GGO initiative. Progress for all targets were self-assessed as either *On Track* or *On Track to Exceed*, with the exception of Target 8.7 *Printing Unit Reduction*, which was self-assessed as *Attention Required*. During 2012-13 highlights included 17.7% and 32.4% reductions relative to base years for greenhouse gas emissions and paper consumption, which had interim 2012-13 targets of 2.1% and 5%, respectively. For Target 8.7 *Printing Unit Reduction*, a solution is currently being developed to enable AAFC to reach the 8:1 average ratio of office employees to printing units through a phased approach.

Section III: Supplementary Information

Financial Statements Highlights

The financial highlights presented within this Departmental Performance Report (DPR) are intended to serve as a general overview of the Department's financial position and operations. More detailed information is provided in the Department's financial statements which are prepared using an accrual basis of accounting.

Condensed Statement of Operations and Departmental Net Financial Position

Agriculture and Agri-Food Canada Condensed Statement of Operations and Departmental Net Financial Position (Unaudited) For the Year Ended March 31, 2013 ($ millions)					
	2012–13 Planned Results	2012–13 Actual	2011–12 Actual*	$ Change (2012–13 Planned vs. Actual)	$ Change (2012–13 Actual vs. 2011–12 Actual)
Total expenses	3,114.0	2,779.0	2,621.9	335.0	157.1
Total revenues	66.5	63.6	56.8	2.9	6.8
Net cost of operations before government funding and transfers	3,047.5	2,715.4	2,565.1	332.1	150.3
Departmental net financial position	-	236.3	153.6	-	82.7

* Balances for 2011-12 have been restated from those presented in the 2011-12 DPR. See the Department's financial statement Note 16 for more detail.

Condensed Statement of Financial Position

Agriculture and Agri-Food Canada Condensed Statement of Financial Position (Unaudited) As at March 31, 2013 ($ millions)			
	2012–13	2011–12*	$ Change
Total net liabilities	1,305.8	1,378.8	-73.0
Total net financial assets	1,163.0	1,145.9	17.1
Departmental net debt	142.8	232.9	-90.1
Total non-financial assets	379.0	386.5	-7.5
Departmental net financial position	236.3	153.6	82.7

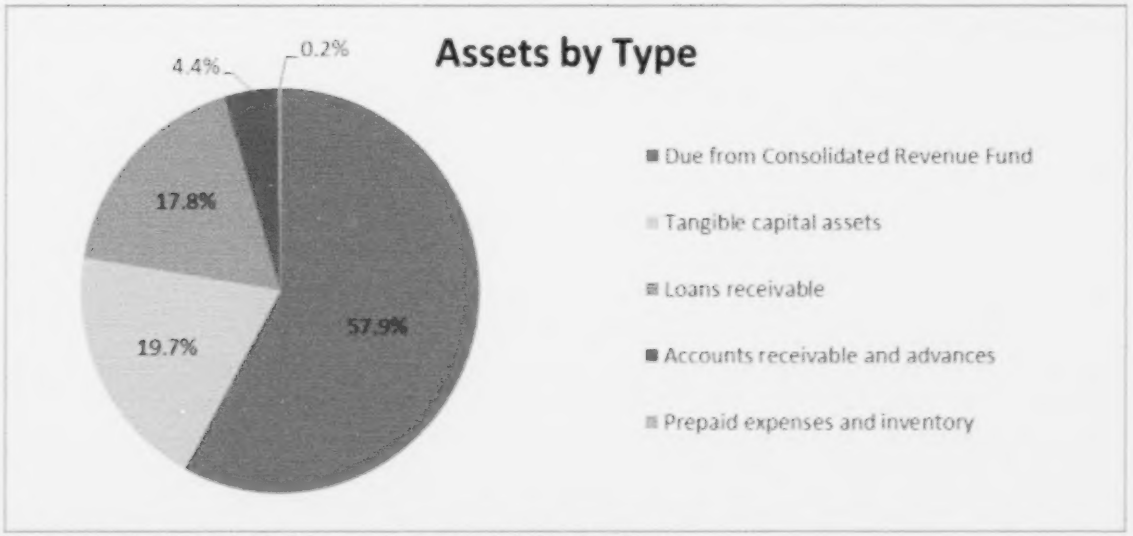
* Balances for 2011-12 have been restated from those presented in the 2011-12 DPR. See the Department's financial statement Note 16 for more detail.

Financial Highlights—Graphs

Assets

The Department held, at the end of 2012-13, total gross financial assets of $1,522.8 million which are presented net of financial assets held on behalf of government, consisting primarily of loans receivable. The Department also held non-financial assets totalling $379.0 million

Total net financial assets at the end of 2012-13 were $1,163.0 million, an increase of $17.1 million over previous year's total net financial assets of $1,145.9 million. This was mainly due to an increase in the balance in Due from Consolidated Revenue Fund ($25.4 million), which was partially offset by a decrease in accounts receivable and advances. Amounts due from the Consolidated Revenue Fund represent a charge against departmental authorities and are available for use by the Department in future periods without further authorities.



Note: Assets held on behalf of Government are included in this chart.

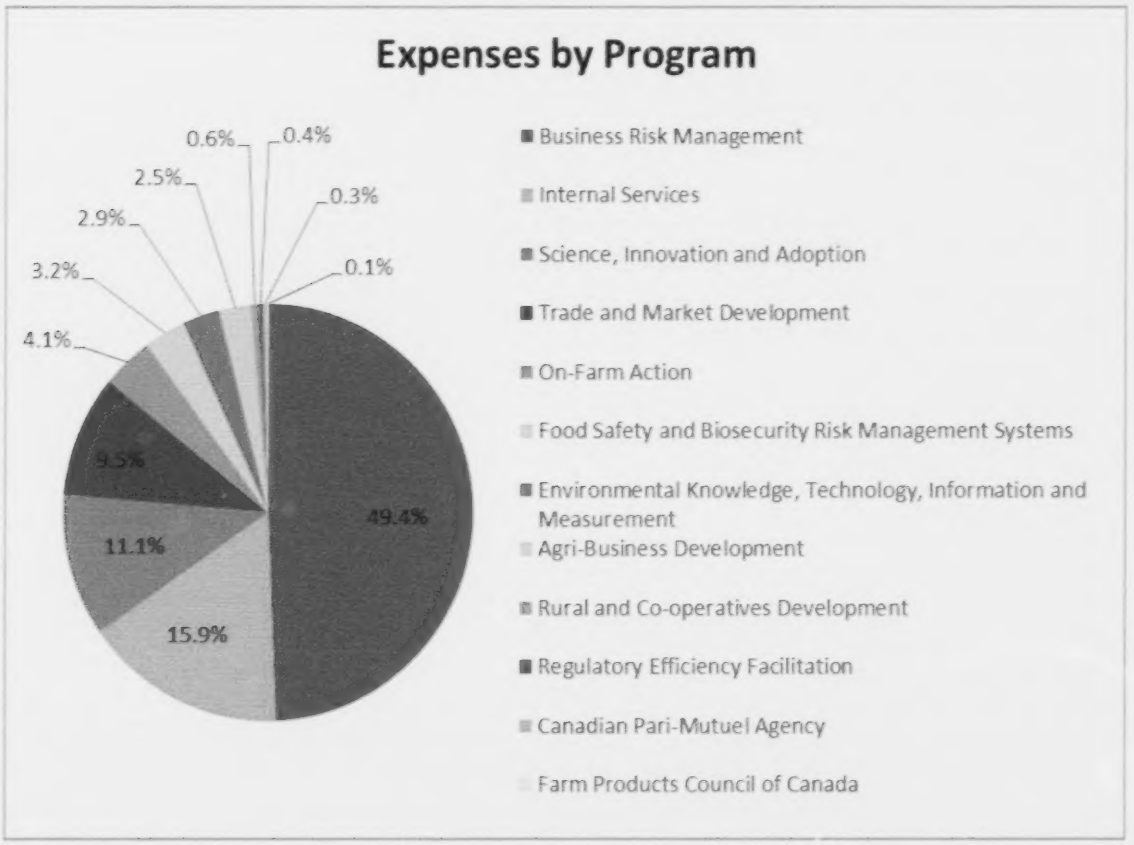
Liabilities

Liabilities arising from departmental activities consisted primarily of accounts payable and accrued liabilities, the majority of which were related to accruals in support of programs such as AgriStability that was delivered in 2012-13. The Department does not hold any liabilities on behalf of government.

Total liabilities at the end of 2012-13 were $1,305.8 million, a decrease of $73.0 million over previous year's total liabilities of $1,378.8 million. This was mainly due to a decrease of $43.4 million in other liabilities and $24.7 million in accounts payable and accrued liabilities.

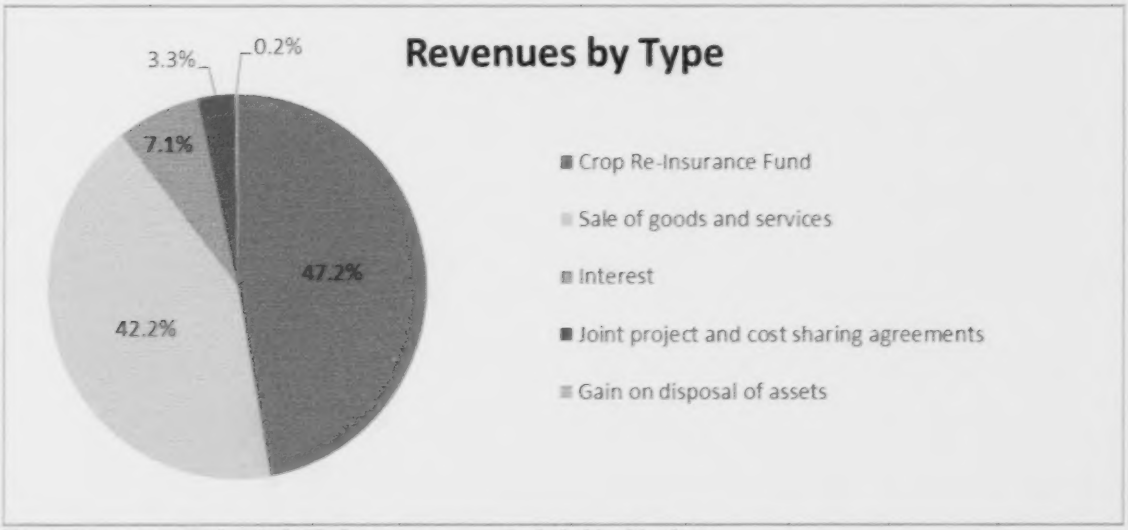
Expenses and Revenues

Expenses incurred and revenues earned, in support of AAFC's programs and services that benefited Canadians during 2012-13, are detailed in the following charts.



Total expenses were $2,779.0 million in 2012-13, an increase of $157.1 million over previous year's total expenses of $2,621.9 million. This was primarily due to an increase of $167.3 million in Trade and Market Development and an increase of $43.7 million in Science, Innovation and Adoption; these increases were offset by a decrease of $44.1 million in Agri-Business Development.

Planned expenses for 2012-2013 were $3,114.0 million compared to actual expenses of $2,779.0 million. This is mainly due to a decrease of expenses related to the Business Risk Management program.



Note: Revenues earned on behalf of government are included in this chart.

Total revenues earned of $170.4 million in 2012-13 were primarily comprised of $80.4 million in Crop Re-insurance premiums, followed by $71.9 million in sale of goods and services. Total revenue is presented net of revenues earned on behalf of government in the departmental financial statements. Total net revenues were $63.6 million in 2012-13 compared to $56.8 million in 2011-12, an increase of $6.8 million.

Financial Statements

The Department's financial statements[XXIV] can be found on AAFC's website.

List of Supplementary Information Tables

- Details on Transfer Payment Programs
- Greening Government Operations
- Horizontal Initiatives
- Internal Audits and Evaluations
- Response to Parliamentary Committees and External Audits
- Sources of Respendable and Non-Respendable Revenue
- Status Report on Major Crown/Transformational Projects
- Status Report on Projects Operating With Specific Treasury Board Approval
- Up-Front Multi-Year Funding
- User Fees Reporting

All electronic supplementary information tables listed in the 2012-13 Departmental Performance Report[XXVIII] can be found on AAFC's website.

Tax Expenditures and Evaluations Report

The tax system can be used to achieve public policy objectives through the application of special measures such as low tax rates, exemptions, deductions, deferrals, and credits. The Department of Finance publishes cost estimates and projections for these measures annually in the *Tax Expenditures and Evaluations* publication. The tax measures presented in the Tax Expenditures and Evaluations[XXV] publication are the sole responsibility of the Minister of Finance.

Section IV: Other Items of Interest

Organizational Contact Information

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Additional contact information[XXVI] can be found online.

Endnotes

[I] Agriculture and Agri-Food Portfolio, www.agr.gc.ca/portfolio

[II] Acts, www.agr.gc.ca/acts

[III] AgPal, www.agpal.ca

[IV] AAFC Service Standards, www.agr.gc.ca/standards

[V] Government of Canada Outcomes, http://www.tbs-sct.gc.ca/ppg-cpr/descript-eng.aspx

[VI] *Public Accounts of Canada 2013 (Volume II)*, http://www.tpsgc-pwgsc.gc.ca/recgen/cpc-pac/index-eng.html

[VII] Cabinet Directive on the Environmental Assessment of Policy, Plan and Program Proposals, http://www.ceaa.gc.ca/default.asp?lang=En&n=B3186435-1

[VIII] AAFC's Departmental Sustainable Development website, www.agr.gc.ca/sds

[IX] Environment Canada, http://www.ec.gc.ca/dd-sd/default.asp?lang=En&n=C2844D2D-1

[X] National Agri-Environmental Health Analysis and Reporting Program, http://www4.agr.gc.ca/AAFC-AAC/display-afficher.do?id=1295378375770&lang=eng

[XI] Farm Environmental Management Survey, http://www23.statcan.gc.ca/imdb/p2SV.pl?Function=getSurvey&SDDS=5044&Item_Id=122432

[XII] Canadian Environmental Sustainability Indicators, http://www.ec.gc.ca/indicateurs-indicators/default.asp?lang=en&n=30607EED-1

[XIII] AgriRecovery, www.agr.gc.ca/agrirecovery

[XIV] *Canadian Agricultural Loans Act* program, www.agr.gc.ca/cala

[XV] Advance Payments Program, www.agr.gc.ca/app

[XVI] Livestock Auction Traceability Initiative, www.agr.gc.ca/lati

[XVII] Science and Innovation, www.agr.gc.ca/scienceandinnovation

[XVIII] Canadian Agri-Science Clusters Initiative, http://www.agr.gc.ca/eng/?id=1293138810357

[XIX] Developing Innovative Agri-Products initiative, www.agr.gc.ca/eng/?id=1295538486505

[XX] Results of the National Renewal Survey, http://epe.lac-bac.gc.ca/003/008/099/003008-disclaimer.html?orig=/100/200/301/pwgsc-tpsgc/por-ef/agriculture_agri-food/2012/052-11/report.pdf

[XXI] Evaluation of Income Stability Tools - AgriStability and AgriInvest, http://www4.agr.gc.ca/AAFC-AAC/display-afficher.do?id=1362083604412&lang=eng

[XXII] Evaluation of AgriInsurance, Private Sector Risk Management Partnerships and Wildlife Compensation Programs, http://www4.agr.gc.ca/AAFC-AAC/display-afficher.do?id=1367338599421&lang=eng

[XXIII] AAFC's Greening Government Operations, http://www.tbs-sct.gc.ca/rpp/index-eng.asp

[XXIV] AAFC's Financial Statements, www.agr.gc.ca/FinancialStatements

[XXV] *Tax Expenditures and Evaluations*, http://www.fin.gc.ca/purl/taxexp-eng.asp

[XXVI] Contact Us, www.agr.gc.ca/contactus

[XXVII] Farm Products Council of Canada, http://fpcc-cpac.gc.ca/

[XXVIII] AAFC's Supplementary Information Tables, http://www.agr.gc.ca/eng/about-us/planning-and-reporting/departmental-performance-reports/2012-13-departmental-performance-report/?id=1380233567058